The China Weekly REVIEW

密勒氏評論報

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EXAMPLE OF "COOPERATION"---A DEAL IN JEHOL COAL

A FEW days ago the newspapers published a little 10-line item circulated by *Rengo* from Mukden which contained a world of information on the subject of Sino-Japanese economic "cooperation." The report stated that an arrangement had been made by a Japanese firm in Dairen to supply Shanghai with some 3,000,000 tons of coal, the output of the well known Peipiao mines in Jehol province. The significance of this deal should be immediately apparent to thoughtful Chinese. The Peipiao mines are located in the former Chinese controlled province of Jehol and before the Japanese military occupation of that area the mines were owned and operated by Chinese interests. The Japanese took over the mines when they occupied Jehol province—and now in the natural and inevitable course of events the Japanese announce that the product of the mines, some 3,000,000 tons of coal, is to be sold by Japanese interests to the people Shanghai. Thus the people of Shanghai, chiefly Chinese, will have the privilege of purchasing from the Japanese, an essential and necessary product, once produced by Chinese interests from mines located in a province once a part of China but now controlled by the military forces of Imperial Japan.

In addition to this report a dispatch from Osaka told of the organization of a "joint" company, allegedly containing Japanese, Manchukuo and Chinese stockholders, which will provide economic and technical assistance to China. The company will assist China financially in the opening of coal and iron mines, the improvement of the Chinese communication system and in other engineering enterprises. The names of Chinese cooperating in the company were not given but the fact that the Japanese government-controlled South Manchuria railway is the promoter of the enterprise indicates the real inspiration. Since the S. M. R., now in monopolistic control of all railways in Manchuria, has become a very profitable and all-powerful enterprise, we imagine that it will be from this source that most of the schemes for Sino-Japanese "cooperation" will be forthcoming. Recently the Japanese announced that an arrangement had been made whereby the S. M. R.

would shortly take over the work of repairing all Chinese locomotives in use on the various Chinese lines north of the Yellow river and that the work would be done in the Japanese locomotive shops in Dairen. As the S. M. R. is already operating its own trains directly into Peiping, this element, plus the recently announced repair contract, would seem to indicate that it will only be a matter of time until all Chinese railways north of the Yellow river, and possibly extending even further down to the Yangtsze, will be controlled by Japanese interests.

To complete the story of "cooperation" the Tokyo *Nichi-Nichi* reported on March 23 that the Koseikai or Industrial Federation of Japan had decided to open formal negotiations with China for calling industrial conferences at several leading cities of Japan, Manchukuo and China for the purpose of promoting industrial "rationalization" among the three countries. The conference, which will be known as the Oriental Industrial Conference, will hold meetings in Shanghai, Nanking, Peiping, Tientsin, Dairen, Mukden, Changchun, Harbin and Seoul, Korea. Subjects scheduled for discussion will include engineering, architecture, railway machinery, electricity development, aviation, mining, chemical industry and other matters. The Japanese delegation will consist of 30 members who will travel from place to place, devoting a minimum of three days to conferences with Chinese leaders at each city. Here again the influence of the S. M. R. also is seen, for the report stated that the Japanese railway will supply technical experts who will demonstrate to the Chinese the advantages of supplanting products formerly purchased in America nd Europe with the products of Japanese factories. The element of Sino-Japanese "cooperation" will be stressed by Japanese lecturers who will accompany the mission.

JOHN R. MOTT ON THE FUTURE OUTLOOK IN THE ORIENT

JOHN R. Mott, 70-years old Y.M.C.A. executive is now traveling in China and delivering addresses on the general subject of world peace. Prior to coming to China Dr. Mott spent several weeks in Japan where is was received in audience by the Emperor. His record in *Who's Who*, covering nearly fifty years of Y.M.C.A. activity shows that in addition to receiving the French Legion of Honor decoration and the American medal for distinguished service, Dr. Mott also received the Japanese order of the Sacred Treasure. Since the Japanese do not award decorations or permit foreigners to see their Emperor indiscriminately one must assume that they must have considerable confidence in Dr. Mott; hence one is justified in speculating upon the results of his trip to that country, particularly in view of the fact that the newspapers reported that he interviewed several of the leading Tokyo warlords, including Gen. Sadao Araki whose book describes the Japanese as children of the Gods who are destined to rule the earth. It was reported that Dr. Mott "spoke frankly" to the Japanese warlords, but his "Ten Logical Reasons" for a continuance of peace between Japan and the United States which received extensive publicity in the newspapers of Japan, made no mention of the fundamental issues outstanding between the two countries. He only stated that "real" America and "real" Japan are peace-loving and expressed the opinion that this influence is destined to become greater.

In his first public address in China, at a reception given by Mayor Wu Teh-chen of the Municipality of greater Shanghai, Dr. Mott admitted that he never was so disturbed at the international outlook as he was at the present time. He said that no nation understood or trusted its neighbors, near or far, and referred to a "certain western nation which was oscillating between fear and selfish ambitions." He referred to a statement by former President Hoover that there are now more than 5,000,000 more men under arms than was the case before the world war and that this number is constantly growing. He also referred to a statement by the late Sir Robert Hart shortly following the Boxer rebellion that there must either be an acceptance of the principles of Christianity, or the nations would continue arming themselves to the point of bankruptcy. Since armament had failed to bring peace, he thought it was time to try Christianity—"in its purest form and stripped of all formalities." He said there must be a discontinuance of inequalities between nations and also a discontinuance of exploitation of the weak by the strong and a general recognition of the inherent worth of nations regardless of their size and strength. In Dr. Mott's opinion the world is headed into a most dangerous period of world history because the bad influences of so-called western civilization "were eating into the vitals of the relationships of occident and orient." However, he regarded the coming 15 or 20 years also as a period of limitless opportunity for service in eliminating differences between nations and races. Finally, he said that the Rule of God must be established in industry, finance, the press, theater and the university as well as in individual minds and human relationships.

Dr. Mott's remarks in both Japan and China indicate quite clearly the predicament in which men of his position as outstanding Christian leaders are placed in attempting to find a Christian solution for the complications in the Far East. In America they have definitely gone on record as opposed to an increase in armament and their influence has generally been on the side of those would take the profit out of war and who would, if possible, prevent the United States from becoming involved in war on any ground other than actual defense of its own territory. That the organized forces of Christianity in the United States had much to do in the creation of machinery for the peaceful adjustment of disputes between nations, such as the Kellogg anti-war pact, League Covenant and Nine-Power treaty is common knowledge. But now the fact that these instruments of peace have been scrapped and all nations are

again arming in "self-defense" has placed these same Christian leaders in a serious predicament. How can they continue to advocate disarmament on the part of the United States when other nations some of which are openly opposed to all so-called Christian ideals and principles, are actively preparing to scrap the whole peace system.

One wonders, for example, how Dr. Mott would go about applying the principles of Christianity versus Armament in this part of the world. Assuming that the methods applied at the Washington Conference, involving frank discussion and peaceful compromise were at least an approach to the Christian method of settling international differences, what is to be done when one nation decides to scrap the whole thing and revert to force? Can the other nations afford to stick to their Christian principles, that is, opposition to the use of force, when they see another nation overriding and repudiating every ideal and principle which they have advocated? Consider, for example, the situation prevailing in North China where the Japanese military elements are openly protecting and fostering the trade in narcotics and utilizing this trade as an arm of imperial conquest. How would one go about adjusting such a situation by the application of Christian principles alone? Obviously this is a case where Christian principles, if they are to be effective at all, must be backed up by force to the fullest possible extent. Admitting that the use of force often results in the creation of other equally serious problems, it also is a fact that a refusal or failure to back up ideals and principles by force frequently leads to the development of conditions infinitely worse. If the ideas of those groups in the United States which are opposed to the use of force in support of ideals and principles which they believe to be right and just are to prevail, then there would appear to be no other way out of the present predicament than an acceptance of the present situation which Japan has created. This would be equivalent to telling the Chinese to go ahead and accept Manchukuo and Japanese political and economic domination, including the narcotics and all the rest of it, but at the same time advising the Chinese to hope and pray for better conditions in the next world.

Japanese Fostered Morphine and Heroin Trade in the Peiping-Tientsin District

THE extension of Japanese influence over North China is being accomplished in various ways —military intimidation, political intrigue and bribery, and, by means of the trade in narcotic drugs which is being fostered from the puppet state of Manchukuo. Much has been written on this subject since the creation of the puppet state, but the recent action of the Imperial Japanese government in handing these Chinese provinces over to the dictatorship of the Kwantung branch of the Japanese army, has greatly aggravated the narcotic situation in North China which constitutes the chief market for the Japanese opium monopoly in Manchukuo. Recently an investigator of the dope traffic at Peiping visited the Changli district along the Peiping-Mukden railway, within the so-called demilitarized zone, a short distance to the north of Tientsin. In the town of Changli the investigator found 94 heroin and morphine joints, all of which are protected by Japanese consular or military officials. According to recently compiled figures in Peiping there are now between 600 and 700 drug dives in Hopei province alone.

Thus, while drug dealers and addicts elsewhere in China are being executed for violating the official anti-narcotics regulations, the Japanese and their agents, most of whom are Koreans, apparently have a free hand in pushing the trade in the Peiping-Tientsin district. Japanese practice in this "co-operative" enterprise in North China apparently follows the lines which Japan followed in Shantung province when the Japanese army was in control of that area from the beginning of the world war in 1914 to 1923 following the Washington Conference when the Japanese were compelled to evacuate due to international pressure. Or, if one wishes to go back still further, the present Japanese propagation of narcotics in North China is not greatly different from methods which have been used in Formosa and Korea since the Japanese assumed control of those areas or in Marchuria where the creation of an opium monopoly closely followed the Japanese military occupation.

The following is a verbatim report of a conversation between the man who investigated the North China dope traffic in the Changli district and a Korean dope dealer named P'iao Chang-hao. It is published in direct conversational style for two reasons: it indicates the extent and details of the traffic and also indicates the frankness of the dealers who apparently have no fear of interference on the part of either the Japanese or Chinese authorities. The conversation between the investigator and the 21-years old Korean dealer, a Japanese subject, follows:

Q. How long have you been in Changli?
A. Six months.
Q. Where did you come from?
A. Mukden.
Q. What is your profession?
A. I work in a *Yang Hong* (literally, "foreign store," the name by which morphine stalls are known).
Q. There are many yang-hongs in town. Which one are you connected with?
A. I am connected with the Ta Chang Yang Hong, which is owned by my brother-in-law. He is now managing a shop in a village. I take care of the one in town.
Q. How many Koreans are these in Changli?
A. About 120 to 130.
Q. How many Japanese?
A. Seventy to eighty.
Q. What is the function of the Japanese Residents Association?
A. No function. Only when the Japanese Consulate sends a man to investigate business in this area we

are notified to welcome him. We have to pay some small fees to him.

Q. Why don't you run a gambling house? It's more profitable, isn't it?

A. The Consulate won't let me. The gambling houses have to pay a tax to the Consulate, varying according to their income. It takes capital.

Q. Have you any fears in conducting your business?

A. No. Why should I? Before the whole profession was run by the Japanese. Heroin was manufactured in Japan before, but now many people know the tricks and so we get a hand in it too. Don't you know there's nothing to be feared? The Chinese officials have to protect us too.

Q. Don't you have any difficulty passing through Shanhaikuan?

A. No. The Japanese question us as to where we come from, and where we're going, but otherwise there is no difficulty.

Q. You tell them frankly you are morphine salesmen?

A. Yes.

Q. They let you pass with the stuff on you?

A. Yes.

Q. Have you been to Tangshan or Lanhsien?

A. No. But we have our connections there.

Q. Do you do a good business here?

A. Formerly it was very good, we used to take in sixty to seventy dollars a day. At present there is too much competition, and we don't make so much.

Q. How much do you charge for a shot?

A. The price for a "chien" of morphine is from $1 up. We make about $30 an ounce on heroin. Single shots are from ten cents up, but the pills are cheaper. Most of our customers are the middle and lower class people.

Q. How do you smuggle morphine and heroin into this area?

A. Through Shanhaikuan and Chinwangtao. Mostly from Chinwangtao, (on the Manchukuo border) as there are located the many big wholesale Yang Hongs, which distribute over all this area.

Q. Do you receive protection from the local authorities?

A. We have no difficulties. We are registered as Japanese subjects at Shanhaikuan and the local authorities have to protect us.

Q. How much tax do you have to pay to one side or the other?

A. We pay not taxes at all, but have to pay a small fee to the Korean Immigrants' Association at Changli.

Q. Do you get permission from the Chinese officials to open your shop?

A. No. We simply rent a building; in our place it costs a dollar a day for rent.

"After this our interview soon ended. I questioned other dope sellers later on, and their answers more or less confirmed what P'iao said."

Although not referred to in the statement of the investigator who visited the Changli district, a report issued through the official *Kuomin* service from Tientsin on April 8 stated that there are 120,000 narcotic addicts in Hopei province. Dr. Wang Yu-jui, director of the municipal clinic in the Chinese city at Tientsin claimed that some 800 drug addicts had been cured since the establishment of the clinic. He said however, that the clinic was not equipped to handle more than 400 cases a month, hence urged that something should be done to increase the facilities for treating addicts.

A further report from the same source on April 10 stated that 100 drug addicts, including several university graduates, had applied for treatment in the past two days. The report said that 300 additional addicts from southern Hopei had applied for treatment and that facilities for treatment were entirely inadequate to meet the demand.

An American missionary, writing in the *North-China Daily News* on April 9 regarding conditions prevailing in the so-called demilitarized zone which embraces a considerable portion of northern Hopei province bordering on Manchukuo, said: "Bandits of one type or another connive in the blatant aggressive sale of opium and morphia. Even the streets daily afford ghastly scenes of wretched men who have been debauched by the rapid incsease of the drug habit and lie half dead in door-ways or wander aimlessly about in filthy rags."

Japanese Consular Conference on the Boycott---Hu Shih's Views on "Cooperation"

FOR three days this week Japanese diplomatic and consular officials stationed in different parts of China, Peiping, Tientsin, Hankow, Nanking, Canton, Tsinan, Tsingtao, Shanghai, Foochow, Amoy and elsewhere, attended a conference in Shanghai which was presided over by Akira Ariyoshi, Japanese Minister. The *China Press* on Monday, April 8, published a report about the conference, stating that the chief subject if discussion was concerned with the suppression of anti-Japanese sentiment and the boycott of Japanese goods by Chinese merchants and people. An important participant in the conference was H. Yokotake, commercial counsellor of the Japanese Legation, who recently returned to China from a trip to Japan where he conferred with Koki Hirota, Foreign Minister and also with leading Japanese businessmen, financiers and industrialists who are interested in the extension of Japanese trade and commercial influence among the Chinese. Akira Ariyoshi, Japanese Minister, who presided over the conference, is planning shortly to return to Tokyo in order to report to his superiors in the Foreign Office regarding the Chinese situation and prospects for Sino-Japanese "cooperation." Mr. Ariyoshi recently returned from Nanking where he announcedly paid a "farewell call" on Wang Ching-wei, head of the Executive Yuan and concurrently Minister of Foreign Affairs. According to the report in the *China Press*, Mr. Ariyoshi will shortly pay another "farewell call" on Wang Ching-wei, following the conclusion of the Japanese consular conference at Shanghai.

Since this will be the third "farewell call" of the Japanese Minister at Nanking within a period of about two months, there has naturally been considerable speculation as to the real objective. As a matter of fact there is much speculation not only in China but about the world generally

regarding Japan's next move with respect to her China policy. The well known American weekly *Time Magazine* published in its issue of March 18 an extended survey of recent Japanese political maneuvering in China wherein it was disclosed that the Japanese army apparently does not trust the Japanese Foreign Office or Japanese diplomats, hence sent its own emissary to China in the person of Gen. Kenji Doihara, who made an independent investigation. Gen. Doihara's reports and interviews in the Japanese newspapers were the opposite of reports which Japanese consuls and diplomats had been sending to Koki Hirota, Foreign Minister. Japanese consular representatives, in consequence, complained that Doihara had spoiled most of the giodwill which they had created, following Hirota's recent conciliatory address in the Diet. Also, of outstanding significance was Doihara's trip to Canton wherein he inteviewed Hu Han-min, Gen. Chen Chi-tang and the Kwangsi generals Li Tsung-jen and Bei Chung-chi. One report had it that Doihara, when told in Nanking that the National Government could not go too far in cooperating with Japan owing to Canton's opposition, replied that he would assume responsibility for "bringing Canton into the Japanese camp." According to *Time Magazine* there were suggestions that "monstrous Japanese bribes would play an inevitable role," in bringing about a changed attitude on the part of the Canton leaders with respect to Japan's doctrine of "Asia for the Asiatics." Whether there was any truth in this suggestion is not known, but almost simultaneously with Doihara's visit to the South China metropolis there was a report from Tokyo to the effect that theJapanese government had decided in future to spend a considerable portion of the Japanese share of the Boxer indemnity in South China. Previously most of this money had been expended in North China and at Shanghai. It is also of interest to record, in connection with Doihara's "tour of intrigue," that in addition to the large sums available in the Japanese Boxer indemnity, the Imperial Kwangtung army now in complete control of Manchuria, also has at its disposal a considerable portion of the Army's so-called "secret fund" which amounts to more that 15,000,000 yen a year.

In view of the fact that the Tokyo Foreign Office and War Department are now apparently working at cross purposes with respect to Japan's future policy, it is impossible to determine just what Japan's next step will be. But regardless of present apparent differences, it is inevitable that when the time comes for definite action there will be but one Japanese policy and that policy, in all probability, will be the one dictated by the War office. After all, the notorious Twenty-One Demands of 1915 were actually drafted by Koki Hirota, now head of the Foreign office. The one certain element in the situation is Japan's effort, in one way or another, to establish her control over China, which, if successful will carry with it China's voluntary or involuntary abdication of a considerable portion of her sovereignty. While the Tokyo Foreign Office, under pressure of Japanese merchants for an improvement of their business enterprises in China, is now following a so-called conciliatory policy, the all-powerful military clique has no intention of permitting China to become unified unless Japan can control and direct the resulting unification. In consequence, the Tokyo General Staff is following its traditional policy of playing Nanking against Canton and Canton against Nanking.

DR. HU SHIH'S VIEWS

Of direct interest in connection with China's reactions to present Japanese overtures was an article by Dr. Hu Shih, China's outstanding philosopher, which appeared in the March number of *Tu Li Ping Lun*, or *Independent Review*, published in Peiping. The article, which took the form of an interview between Dr. Hu and the Peiping correspondent of the Japanese *Kengo* service was to the following effect:

(1) *Question:* Do you think that recent developments have indicated a real turn for the better in Sino-Japanese relations?

Answer: I do not think so, because the root difficulty in the way of Sino-Japanese friendship has not yet been removed. I mean the existence of "Manchukuo," which will always rankle in the hearts of the Chinese people as a concrete example of Japanese aggression.

(2) *Question:* If there is to be a real improvement in the Sino-Japanese situation, what, ou your opinion, is necessary?

Answer: There is naturally a need for the governments of the two countries to restore their relations to normal, but this cannot be accomplished on the basis of such terms and conditions as were reported in the Japanese press last month. These terms mean fresh Japanese pressure on China and would tend only to aggravate the existing situation. In my view, even the elevation of the legations of the two countries to the status of embassies and the recent nation-wide observance in Japan of the 10th anniversary of the death of Dr. Sun Yat-sen are not fundamental measures for relieving the present situation.

(3) *Question:* Do you believe it possible under existing circumstances to restore in the near future a better feeling between the peoples of the two countries?

Answer: This entirely depends upon whether the Japanese people can experience a change of heart, and how they can demonstrate their change of heart by deeds. A Chinese proverb well says: Let the hand that tied the bell be the hand that unties it. The newspapers report that the Japanese Government hopes that China will stop all forms of anti-Japanese activity. The Japanese people should know that the Chinese Government has done all in its power to suppress anti-Japanese activities that can be deal with by political power, but it cannot suppress the anti-Japanese feeling of the Chinese people. Since your people are still unable to understand the psychology of the Chinese we do not believe it possible to bring about a better understanding between the two peoples in the near future.

(4) *Question:* Do you believe that Japan is still dominated by the Army, and that the diplomacy of Mr. Hirota cannot make much headway, or that Japanese diplomats are gradually reasserting themselves?

Answer: We naturally hope that Japanese liberals will make their influences felt in public affairs and that they will relieve the crisis created by the aggressive policy of their military leaders, but up to the present Japanese diplomats have not shown themselves capable of taking a stand against the views of their military. On the contrary, they have been trying their best to defend and whitewash them.

(5) *Question:* Is there any change in your conception of Japan now as compared with your view of her about a year or so ago when you returned from the

conference of the Institute of Pacific Relations in Canada? If there is some change, what is it?

Answer: My view of Japan then was that Japan had gone on the road of national suicide. My opinion today is that Japan is still on that road and has not retraced her steps. I am sorry to say that the past 18 months have not caused me to change my conception of Japan.

(6) *Question:* Is there a danger of the Japanese Army resorting to force again in North China?

Answer: The Chahar Incident last month has led us to the conviction that the Japanese military will resort to aggression at any time they like. I would ask you to note that in the minds of the Chinese people North China includes also the Four Northeastern Provinces, Chahar and Suiyuan.

(7) *Question:* Do you believe that Japan can render any assistance to China in her present financial difficulties? If so, what form could such assistance take?

Answer: I am no economist and cannot make any expert observations on this subject, but I feel that Japan could help China a great deal if she would stop dumping her goods in this country. This is of course only a temporary expedient. As regards fundamental measures, I should like to point out that they depend for their success upon the solution of the various outstanding Sino-Japanese questions, so that the Chinese Government need not increase her armaments after the suppression of internal rebellions.

(8) *Question:* I think it is extraordinarily difficult for the Manchurian question to be settled by diplomacy. Do you still believe that a diplomatic settlement of this question is the fundamental condition of Sino-Japanese amity?

Answer: I believe that a diplomatic solution of the Manchurian question is the fundamental condition for the restoration of Sino-Japanese amity. I also believe that there are many "extraordinary difficulties" in the way of such a settlement, but I maintain that great statesmen should not be deterred by such difficulties. Moreover, the road to such a settlement is much easier to tread than the road to national suicide, and also much better to follow than to antagonize the whole world.

(9) *Question:* Then you think that unless the Manchurian question is settled there is absolutely no hope for the peoples of the two countries to be friends again?

Answer: Yes, I do.

(10) *Question:* I should like to have your views as to how the Manchurian question can be settled.

Answer: I think that the principles of a settlement of the Manchurian question as outlined in Chapter Nine of the Lytton Report and Chapter Two of the Recommendations adopted by the League of Nations on February 17, 1935, are still worthy of consideration by Japanese statesmen and people.

(11) *Question:* Have you any message to give in existing circumstances to Japanese thinkers, diplomats and military leaders today?

Answer: I have no special message to give except that I would ask them what kind of country they hope to see their country eventually become: An Asiatic England? or A Germany after the Great War or a second Spain. This is the time for Japan to retrace her steps!

Yellow River Continues to Rise on Hopei-Honan Border

Fresh alarm was aroused April 6 among the inhabitants in the districts of Puyang, Nanloh and Tsingfeng, on the Hopei-Honan border, by the continuous rise of the Yellow River. A portion of 5,800 meters of the Chin Dyke was reported damaged. According to the opinion of conservancy experts, the Yellow River at Kuantai Area, on the Hopei-Honan border, is bound to change its course. It is suggested that the conservancy fund should be utilized for removing the inhabitants to safer places and let the river alter its course.

Gambling Stops---Gambling Starts Again, in the Western District

A few weeks ago a report appeared in *The Review* to the effect that some six or eight gambling houses had been opened in the western, or residential section, of the International Settlement. In all cases the houses were owned by Chinese but camouflaged under the names of foreigners possessing exterritorial "rights." The places were located chiefly in the Bubbling Well and Sinza police station precincts. Later, however, after the attention of the Police had been called to the situation the places were all closed—for a time. Now, according to authoritative report a new and much larger and more imposing establishment has been opened in the vicinity of Chengtu and Weihaiwei roads—this time within the Chengtu road police precinct. The new place has been in operation for about two weeks.

Francis Burton Harrison Arrives in Shanghai---Will Later Visit Philippines

Francis Burton Harrison, governor-general of the Philippine Islands from 1913-1921, arrived in Shanghai from Egypt April 6, accompanied by Mrs. Harrison (his fourth wife). He stated that he would later visit the Philippines but that he is definitely out of politics and for the last 14 years has been living in England and Scotland and has made only occasional visits to the United States.

When Mr. and Mrs. Harrison were in Alexanderia on their present trip they met Mr. Jacobs, formerly with the American Consulate-General here, and now a traveling consular inspector for the U.S. State Department.

Ambitious Projects Launched to Develop Kaochiao into Model District

After a six-month preparatory program sponsored by the Kaochiao Rural Reform Association, three ambitious projects are now being launched to develop the beach area in Pootung into a model rural district along the same lines as Tinghsien in Hopei province. The projects now being carried out include the development of the Sinkong experimental area, the improvement of rural economic conditions and the promotion of education in Kaochiao and its neighboring districts.

The projects are being financed by Tu Yueh-seng, Chairman of the Shanghai Civic Association and newly appointed Director of the Bank of China, while the actual work is carried on by a number of expert rural workers and civic leaders in Shanghai, including Dr. Herman C. E. Liu, president of the University of Shanghai, Huang Yen-pei, former Minister of Education and an expert on vocational education, S. K. Wang, former professor in Hangchow Christian College and several others. Mr. Wang is the chief secretary of the Association and head of the field workers. The headquarters of the Association is located at a place few miles from Kaochiao town, where the family temple of Mr. Tu is located. The Association now has an area of about 100 mow of land as a miniature civic center with a primary school and a free hospital in operation.

According to Mr. Huang's report made during the formative meeting of the Association held at the Cheng-Shih Primary School building in Kaohang last Saturday, the Sinkong experimental station was established on November 16 last year with aims to teach the populace civic training, to organize the co-operative enterprises, and to improve health conditions. The station operates over an area of 16 square li with the population of 1,300, in of which 40 per cent are farmers, 40 per cent are laborers, 10 per cent are merchants and 10 per cent from other walks of life. Since the inauguration of the experimental station, Mr. Hung reported, the Yi Teh Primary School was taken over. The school is now the center of many phases of work. In addition to the improvement of curriculum providing rural training and vocational lessons, classes for adults also are given.

Six important projects are now being pushed by the rural economic section of the Association. In addition to the mutual aid society in the Sinkong experimental area, the ecomonic section also has established a fishery cooperative society by utilizing a pond covering an area of 2,000 mow. Another one is being formed in the Kaochiao Park.

Japanese Will Ask for Reconsideration of Telephone Rate Increase

Dr. K. S. Inui, of the Japanese Legation, will introduce a resolution at the Shanghai Ratepayers Meeting April 17 that the S.M.C. should reconsider its decision to give the Shanghai Telephone Co. the right to increase their rates by not more than 12½ per cent.

Revision of Exchange Law Is Adopted by Legislative Yuan

A revision of the Exchange Law, which applies to Stock and Commodity Exchanges, was adopted at the 11th meeting of the Legislative Yuan April 6. Noteworthy points in the revision are one providing for the prohibition of public functionaries (officials) from engaging in speculation and another for the fixation of the minimum amounts of margin which must be put up in every transaction so as to check unscrupulous gambling.

Minister Kung Explains Object of $100 Million Currency Loan

Regarding the recent action of the Central Government in issuing the $100 million Currency Loan and increasing the capital of the three leading banks—the Central Bank of China, the Bank of China and the Bank of Communications—Minister Kung said that the measure is taken in order to secure closer cooperation and concentration of effort in overcoming the financial difficulties and to consolidate the organization and financial position of the Banks. When this is realized, measures can be devised and adopted for fundamental currency reform and for the solution of other financial and economic problems.

As to the reduction or exemption of export duies on native products and abolition of inter-port duty, which is the second measure for economic recovery planned by the Government, Minister Kung said that this will be carried out in the near future. Measures for making up the deficits involved have already been devised.

"Steps towards currency stabilization and the economic reconstruction of China" was how Dr. H. H. Kung, the Minister of Finance, interviewed in Nanking April 4 described the recent increase of government capital in the Central Bank, the Bank of China and the Bank of Communications and the reshuffling of the governing personnel of these three institutions.

Chinese Government Control May Be Preliminary to Inconvertibility, New York Thinks

A *Reuter* message from New York April 3 stated that the opinion was expressed in New York's metropolis that the move by the Chinese government to obtain control over the three principal banks in China, might be a preliminary step to rescinding the privilege of redeeming bank-notes in silver specie.

Tsingtao Also Victim of Depression

Four large business firms in Tsingtao closed last week, involving a total loss of about $800,000.

Shanghai Chamber Asks Ministry for $2,500,000

Immediate remittance of a sum of $2,500,000 to Shanghai for the relief of the industrial and commercial depression was urged by the Shanghai City Chamber or Commerce, in a petition to the Ministry of Finance April 4.

Antung Police to Stop Silver Smuggling

The Antung Police Bureau has begun measures to stop the smuggling of silver across the the Manchukuo-Korean border.

T. V. Soong Postpones Trip to Szechuen Indefinitely

At a press interview April 4 given by T. V. Soong, new chairman of the board of the Bank of China, he categorically denied a *Havas* report that the Nanking Government would soon hold a conference to discuss the country's monetary situation with foreign bankers in accordance with the wish of the British Government. Mr. Soong said that prior to the departure from Shanghai of Dr. H. H. Kung, Minister of Finance, last week, he had conferred with the latter, but had not been informed of the impending conference. Mr. Soong further explained that it would be of no use for the Chinese Government to invite foreign bankers to participate in such a conference.

Because of the pressure of work in Shanghai, Mr. Soong has indefinitely postponed his trip to Szechuen.

$4,200,000,000 in Silver Arrives from London

About $4,200,000 worth of silver bars purchased by the Foreign Exchange Stabilization Commission from London, was unloaded here from the *s.s. Ranchi* April 7. A shipment of 311 bars is due here from Hongkong end of this week.

Income Tax Law Being Drafted by Legislative Yuan

In connection with the question of enforcement of an income tax, a memorandum had been prepared and submitted to the Legislative Yuan for consideration, declared Kao Pin-fang, Director of the Revenue Department of the Ministry of Finance at the weekly memorial service of the Ministry April 8. On the basis of this memorandum, the Legislative Yuan is now drafting a law governing the collection of the new tax. Mr. Kao stated that progress had been made in the abolition of the miscelleneous taxes and exorbitant levies in the various provinces, but in some of them, these irregular taxes still remained. The Ministry, Mr. Kao further stated, was insisting on their abolition as a condition for any province to apply to the Ministry for a subsidy.

Newly Appointed Manager of Kweiyang Branch Bank Flies to His Post

Peng Ti-an, newly appointed manager of the Kweiyang Branch of the Central Bank of China, arrived in Kweiyang from Chungking, Szechuen, by airplane April 1. The branch will be inaugurated upon the arrival of the staff from the Head Office.

Central Bank Secretary Is Appointed Special Commissioner to Szechuen

Hsieh Lin, Chief Secretary of the Central Bank, has been appointed by the Ministry of Finance as its Special Commissioner to Szechuen in succession to Chen Shao-wei, who has been recalled for duties at the Ministry.

Wang Cheng-yin, formerly Commissioner of Finance of the Chekiang Provincial Government, made a trip by air to Kweiyang this week to see Generalissimo Chiang. It is reported that Mr. Wang may be offered the post of Commissioner of Finance of the Kweichow Provincial Government.

T. V. Soong Says Bank of China Will Not Be Purely Government Bank

T. V. Soong, Chariman of the Board of Directors of the Bank of China, in an interview, April 9, stated:

"The object of the Government in the recent increase in its interest in the Bank of China and the Bank of Communications was to coordinate these two banks with the Central Bank of China on policy. This action was not directed at any person or persons, so I came into the Bank of China as Chairman of the Board of Director without bringing a single man with me. I do not intend to bring in anyone The staff of the Bank of China realize the attitude of the Government and are continuing to given the same loyal service as heretofore.

T. V. Soong

"Before the recent change was effected, there were some people who thought that the Bank of China would suffer from a loss of confidence. This has proven unfounded. It is a fact that there have been no withdrawals from either the head office or any of our branches, and that new deposits are continuing to come in as usual.

"It is the purpose of the Government to make the Central Bank a 'banker's bank'; the Bank of China, a foreign trade bank, and the Bank of Communications a bank specializing in industrialization.

"It will be the aim of the Bank of China to avoid competition with the Central Bank of China, so far as Government business is concerned. The Bank of China will direct its attention entirely towards bustness, devoting itself especially to assistance of the export trade.

"The Government has no intention of turning the Bank of China into a purely government bank, which is indicated by the fact that the three new managing directors in addition to myself are Chien Yu-ming, assistant general manager of the Joint Savings Society, Yeh Chur-tong and Wong Pao-Iun, both local financiers.

Sung Han-chong was especially picked for the post of General Manager because of his long experience in banking and his firm stand at the time of the Yuan Shih-kai moratorium".

Japanese Banker Lays Blame for China's Difficulties on U.S.

Reliance on self-help instead of foreign loans, moderation in the exercise of Governmental control over banks and a "sound money" policy were suggested April 3 as the cardinal principles of the Chinese Government's financial policy by Mr. Yoshida, manager of the Shanghai branch of the Mitsubishi Bank

and a recognized authority on monetary problems. Mr. Yoshida said that he was pleased to see that China has at last embarked on a definite financial policy, but warned that many difficulties will be encountered before the contemplated reforms are completed.

Questioned on his opinions regarding the relation of the Silver Purchase Act of the United States to the financial chaos in China, Mr. Yoshida said: "I have no doubt that the recent American silver policy is one of the most important of the factors which has caused the present financial difficulties here.

"The Silver Purchase Plan is a bald violation of the London Silver Pact of 1933, which deals only with measures designed to prevent a possible fall in the price of silver and aims at its stabilization. Only sophists could insist that the Pact provides for the raising of the silver price,—otherwise Chinese reservations to the ratification of the Pact mean nothing. "The United States is enabled to carry out this act of violation through the acquiesence of the seven signatory Powers other than China, which are benefitted by it. I firmly believe that out of her own interests or through pressure, which, it is hoped, will be brought to bear upon her by Great Britain and other Powers concerned, America will sooner or later moderate her present silver policy, thus relieving China of the chief external cause of her financial difficulties," Mr. Yoshida went on.

Frank A. Vanderlip Urges Establishing "Commodity Dollar"

The establishment of a commodity dollar was urged by Frank A. Vanderlip, formerly head of the National City Bank, in the course of a meeting of the Banking and Currency Committee of the House of Representatives in Washington April 8.

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Nevada Senator Asks for Repeal of Tax on Silver Purchases

Senator McCarran, from Nevada, Apr. 4, introduded a bill in the Senate to repeal the sections of the Silver Purchase Act of 1934, authorizing the President to nationalize silver, permitting the Secretary of the Treasury to investigate, regulate or prohibit all trading in silver, and levying a 50 per cent tax on silver profits resulting from sales or transfers on the metal. Senator McCarran asserted that the Act has "transferred the siver market to London."

Martin Dies told the opening session at Washington April 5 of the conference called by the National Silver Association that the United States is in a position to compel the world to adopt bimetalism. Mr. Dies demanded immediate remonetization of silver, with a view to raising domestic prices and, ultimately, to enable the stabilization of world currencies.

Paul M. Linebarger, "legal adviser to the national government of China," advocated the increased use of silver as a solution to unemployment and other domestic problems. He also urged an increase in the trade between the United States and China on the basis of a "pure barter arrangement."

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An Alleged Huge Loan By Japan to China

The *South China Press* of Amoy published a telegram from Shanghai in its issue of April 4 quoting Nanking reports that the Chinese Government and Japan had tentatively agreed upon a credit loan of $200,000,000 (about £20,000,000) which would enable China to buy Japanese goods up to that amount as one of the terms in Sino-Japanese co-operation. Other proposals in the pact were said to include suspension of the anti-Japanese boycott, employment of Japanese military and economic advisers by the Chinese Government and a guarantee by China not to enter into any military or political alliance with Soviet Russia. The loan would be repaid in Chinese silver dollars.

⁂

India Assembly Amends Finance Bill Despite Viceroy's Warning

Ignoring a warning from Viceroy Willingdon, the Legislative Assembly at New Delhi April 6 rejected the Finance Bill by 64 votes to 41. The Viceroy had pointed out that the government's revenue would suffer a loss of £3,750,000 if the series of anti-government amendments submitted to the Assembly were adopted. Sir James Grigg, finance member of the government of India, said that some of the amendments were absolutely impracticable. As a result of the Assembly's vote, the bill will be certified by the Viceroy and placed before the Council of State on April 9, where it is expected to be passed.

Two-Million Dollar Hongkong Breach of Promise Settled for $20,000

What is stated to be one of the largest breach of promise claims in history was settled in Hongkong Apr. 2, by Leung King-ying, a Hongkong girl, for $20,000. A year ago, Leung sued Loke Yung-lok, grandson of a Singapore millionaire, for $2,000,000. She claimed that Loke had signed a document promising to settle this sum on her after their marriage, but had repudiated the agreement on the ground that he was a minor and unable to marry.

Soviets Expect Many Tourists This Year

Tass says some 25 cruise boats carrying between 400 and 700 tourists each are expected to visit Soviet ports this year.

Soviet Foreign Trade Commissar Predicts Growth of Soviet Exports to Japan

Speaking on the prospects of further development of economic relations between the USSR and Japan in connection with the recently signed CER agreement, People's Commissar of Foreign Trade Rosengoltz told correspondents that he is convinced, that the Japanese market is interested in various articles of Soviet export and he had no doubt that the beginning of the improvement of political relations between the USSR and Japan after the signing of the CER agreement will favorably influence the development of the export of Soviet goods to Japan.

Russian Editor Dismissed for Not Reporting Eden's Visit

A *Trans-Ocean* message from Moscow April 7 stated that because not a single line was published in their newspaper about Sir Anthony Eden's visit to Moscow or his negotiations with the Soviet Government, the entire editorial staff of the Soviet Communist paper in Kuibychev, formerly Samara, was dismissed and replaced by other editors at the instigation of the Communist party commission. The editor's explanation was that he did not consider the matter of particular interest to Soviet Russian readers.

Japanese Push Oil Prospecting in North Saghalien

Acting on authority acquired under the Russo-Japanese Peking Treaty of 1924, the Japanese Ministry of Commerce and Industry has granted the North Saghalien Oil Company permission to englarge its prospecting activities in the Soviet-owned northern half of the Island. *Rengo* says this Japanese company sought this permit in view of the termination on December 14, 1936, of the period within which Japanese subjects are permitted to prospect for oil on Soviet soil under the terms of the treaty.

Company officials have also obtained a loan of Yen 2,000,000 to finance these prospecting activities from the Mitsui, Mitsubishi, Sumitomo and Daiichi Banks and, at the same time, have sent a representative to Moscow to seek an extension of the time limit on such activities.

Besides these measures, the Company has decided to call for Yen 2,500,000 on its unpaid capital and to apply this sum, together with the Yen 1,250,000 subsidy it receives from the Government, towards an expansion of its activities, it is announced.

Under the Peking Treaty's provisions, Japanese and Soviet interests are permitted to bore in alternating squares of territory in North Saghalien. This practice has been declared unsatisfactory by Japanese Government spokesmen because, as soon as the Japanese strike oil, the Russians sink a well close to the border of the Japanese square and cut in on the production of the first bore.

The Soviet government secures a royalty on every barrel obtained by the North Saghalien Oil Company while special provisions are made in case a gusher is struck.

The imminence of a struggle over oil in Sakhalien Island was discussed in an editorial in *The Review* April 6, under the title of "Island of Bad Repute—Forthcoming Russo-Japanese Struggle Over Saghalien Oil".

Ambassador Ohta Will Take Up Fishing Agreement on Arrival in Moscow

Advices from Tokyo state that revision of the Japanese-Soviet fishing agreement will be the first issue to occupy the attention of Tamekichi Ohta, Japanese Ambassador to Soviet Russia, when he returns to Moscow from a furlough on April 28,.

Soviet Ore Arrives at Yinkow

A load of Soviet iron ore, totalling 7,250 tons, was brought to Yinkow (Newchwang) by the *s.s. Maria* for the Okura Shoji Company. The ore, which will be refined at the Penshihu Iron Works, was purchased through the Soviet Trade Representation in Tokyo.

Mrs. Ragsdale Wins Two-Million-Dollar Will Case at Tientsin

Mrs. N. B. Ragsdale, adopted daughter of the late Mr. and Mrs. Batouieff of Tientsin, has been given possession of the $2,000,000 estate bequeathed by Mrs. Batouieff to the Russian city of Malmidj, in a will made in 1930.

The Tientsin district court and the Hopei high court had earlier ruled in favor of the executors, but the Nanking Supreme Court reversed the decision and ordered a re-examination by the Hopei High Court in Tientsin which on April 8 gave judgment in favor of Mrs. Ragsdale, who is the wife of an American, the son of a former American Consul-General in Tientsin.

Sino-Japanese Rapprochement Far From Being Accomplished; Arch Red Leader Reported Killed

HIGH LIGHTS IN THE EVENTS OF THE WEEK:

1. **Japanese Hold Diplomatic and Consular Conference at Shanghai.**
2. **Nanking to Protest Against Incarceration of Chinese Students.**
3. **April 15 Fixed as Date for New Peace Corps to Enter War Zone.**
4. **Chu Teh, Arch Red Leader, Reported Killed in Action.**
5. **Routed Communists in Kweichow Move Towards Hunan.**
6. **Kweichow Chairman Resigns His Post.**
7. **Szechuan General Dismissed Because of Loss of Territories.**
8. **Nanking Takes Steps to Purge Corruption in Officialdom.**
9. **Victor Hoo to Represent China at Opium Conference.**
10. **Shanghai-Canton Phone Service to Be Opened in October.**

Y. Suma, Secretary of the Japanese Legation and concurrently Consul-General at Nanking, interviewed by *United Press* April 2, declared that it would be incorrect to speak of a Sino-Japanese rapprochement as an accomplished fact. "The Japanese Government," he said, "is endeavouring earnestly to improve relations between Japan and China, and the importance of doing so is undeniable, but a rapprochement to be valuable and lasting must be based upon facts. It is true that the tone of Chinese press comment on on questions relating to Japan has improved decidedly. We are awaiting patiently and hopefully the results of the Nanking Government's measures, but it would be harmful to encourage the impression that a rapprochement has been achieved when in reality it remains something to be desired and sought."

Mr. Suma expressed deep concern over reports that the Chinese Government contemplates a general increase in Customs duties, which he understood might be announced soon, unless the harmful effects of such a measure were realized in time. There was no question, he said, of China's autonomy in tariff matters; it was merely a question of whether China's own interests would be served best by a general tariff increase at the present moment. He thought the obvious answer should be an emphatic negative.

CANTON EDUCATORS OPPOSE SINO-JAPANESE RAPPROCHEMENT UNDER PRESENT CONDITIONS

The whole body of professors of the Sun Yat-sen University at Canton, issued a circular a telegram on March 23 strongly opposing the action recently taken by Nanking and Tokyo in bringing about a Sino-Japanese rapprochement.

At the beginning, the professors regret the procrastination of those in power in dealing with the Japanese invaders after the loss of the Northeastern provinces. They then declare what has been going on as regards the resumption of railway and postal communications and the reduction of tariff, which constitute the recognition of the socalled Manchukuo.

Denouncing the policy towards Japan as announced by the diplomatic authority and supported by the highest military official, the message says that it seems that they have been in accord with the "hands-off-China" statement issued by Japan on April 17 last, because they agreed with Hirota's Diet speech which was entirely based on the principle of the statement. "It is absolutely absurd that those in power try to be on good terms with such a neighbor who has taken part of our territory by force and torn up the League Convenant and the Nine-Power Treaty, when the whole world and even scholars in its torritory have condemned its wrong policy," the message continues.

With regard to the action the Central Authorities have taken in forbidding anti-Japanese propaganda and the boycott to show that they are sincere to bring about economic and political cooperation between China and Japan, the professors are afraid that the severeignty of China will be impaired. "To cooperate with those who shake hand with us after taking away by force what we have means that we yield to their power," the message says. "Co-operation is desirable, but it must be based on the principle of equality," it adds.

In conclusion, the professors are of opinion that if they want the Chinese people to stop their anti-Japanese movement, the Japanese should change their policy towards China, otherwise the Chinese people will ally themselves with those people who treat them on the basis of equality to fight to the end with their aggressors.

JAPANESE HOLD DIPLOMATIC AND CONSULAR CONFERENCE IN SHANGHAI

"Tendencies towards a better feeling regarding Japan are noticeable." This was the gist of the findings of Japanese consular and diplomatic officials who met in conference at the Japanese Consulate in Shanghai April 8, as expressed by Hiroshi Acino, second secretary and director of the Press Section of the Japanese Legation in China.

"According to their reports, however, the situation does not allow undue optimism," he added. "Gradual progress is being made, but it will take time before anything definite takes place.

There has been, of late, undeniable evidence of a Chinese desire for better economic relations with Japan," he continued. "This has been particularly noticeable since Wang Ching-wei's declaration of Feb. 20. But everything is still far from realization."

According to Mr. Acino, the eight consular officials who gathered in Shanghai from various parts in China, reported on the popular sentiment towards Japan and on the measures taken by the Chinese authorities against anti-Japanese agitation in the different cities in which they are located.

Their reports varied, but a gradual trend towards improvement was noticeable, Mr. Acino said. Heitaro Yokotake, commercial councillor of the Legation, who returned on April 6 from a trip to Japan, reported on conditions in Shanghai.

Those attending the conference were: Minister Akira Ariyoshi; Tataki Hormouchi, first secretary; Mr. Acino; Mr. Yokotake; Consul-General Tatsuo Kaawai, from Canton; Consul-General Yakischiro Suma, from Nanking; Consul-General Itaro Ishii, of Shanghai; Consul Yoshiaki Miura. from Hankow; Consul-General Junzo Sakane; Consul-General Shigeru Kawagoe, from Tientsin; Consul-General Koichi Nishida from Tsinan; Consul-General Uzuhiko Usami, from Foochow and Consul Takeshi Tsukamoto, from Amoy.

According to Chinese press reports, the agenda of the conference consists of the following five items:

1. The general situation regarding the boycott of Japanese goods in the various parts of China.
2. The sentiment and attitude of Chinese officials and people towards the Japanese residents in the various places and the prevailing condition of the various Japanese Concessions.
3. The general condition of the Japanese merchants and residents in the various places.
4. The possibility of economic co-opeeation between Chinese and Japanese residents in the various localities.
5. The activities of the officials and merchants of the British, American and other western countries and the general condition of the enterprises carried on by the merchants of the respective nationalities in the various places; and their attitude towards Japan.

Draft measures aimed at the betterment of Sino-Japanese relations were tabled at the second meeting of the conference on April 9.

The proposals were made by each of the six Japanese consuls-general and one consul, Hiroshi Acino said. He declined to disclose the character of these projected measures. The sessions on April 10 were devoted to the elaboration of a set of conclusions drawn from the reports and suggestions made at the first meeting.

CHINA TO PROTEST AGAINST ILLEGAL ARREST OF STUDENTS IN JAPAN

The Ministry of Foreign Affairs is reported to be considering lodging a protest with the Japanese Government against the illegal search of Chinese students in Japan and unwarranted arrest of some of them by the Japanese Police in Tokyo during the past few days. General Chiang Tso-pin, Chinese Minister at Tokyo, is said to have been instructed by the Ministry to make representations to the Japanese Foreign Office in regard to the matter and to demand the release of the arrested students. The cause of this action on the part of the Japanese Police is not known, but it is presumed that it was taken as precautionary measure against untoward incidents during the visit of the puppet Manchukuo head, Pu Yi to Japan. In the meantime, the Ministry has cabled General Chiang Tso-pin, instructing him to submit a detailed report in connection with the matter so that appropriate action can be taken with the Japanese Government.

General Chiang Tso-pin, who is now visiting Formosu on a tour of inspection, may also go to Korea while on his way of return to Tokyo.

CONFUCIAN TEMPLE IN TOKYO DEDICATED

Dedication ceremonies of the Yushima Confucian Sanctuary here held on April 4 in the presence of Prince Hiroyasu Fushimi, Chief of the Naval General Staff. Later Premier Keisuke Okada and other Cabinet Ministers and notables worshipped at the shrine. The sanctuary, devastated in the great earthquake fire of 1923, was rebuilt along classical lines at a cost of $500,000 at the site of the former building. Lacquer designs of an elaborate pattern—an exact copy of the work of artisans of the Tokugawa perio cover the steel and cement walls and pillars of the new sanctuary.

JAPANESE STOP BRIDGE CONSTRUCTION AFTER PROTEST

As the result of a strong protest by the Tientsin Municipal Government, the Japanese troops stationed in Tientsin have stopped construction of the bridge and drill ground Liulitai outside the Japanese Concession, according to a *Central News* message April 3. Without the sanction of the Tientsin Municipal Government, a detachment of Japanese engineering corps started to build a bridge and drill ground at Liulitai about the middle of last February. The action of the Japanese troops aroused the attention of the Tientsin Municipal Government, and a special commissioner was despatched to negotiate with the Japanese authorities on the matter. Chang Ting-ao, Mayor of Tientsin, also personally called on Lte.-General Umezu on several occasions, finally resulting in the cessation of the work of the Japanese troops since March 20th.

APRIL 15 FIXED AS DATE FOR NEW PEACE CORPS TO ENTER WAR ZONE

With the complete suppression of the various irregular units in the Demilitarized Zone, April 15 has been fixed as the date, when units of the new Peace Preservation Corps will begin to enter the Zone. The units of the new Corps are now being severally inspected by Tao Shang-ming, Administrative Inspector of the Luantung Area, Ying Ju-ken, Administrative Inspector of the Chihsien-Miyun Area and Chang Hsi-kwang and Liu Chung-kan of the Hopei Provincial Government and the inspection is expected to be completed in the course of a week.

In the meantime, the Railway Office in Tientsin has received orders from the Provincial Government to reserve twenty coaches to be stationed between Tientsin and Tsangchow for conveyance of the units of the Corps to the War Zone. The Corps consists of 5,000 men.

MONGOLIAN COUNCIL MEETING SCHEDULED ON APRIL 23

A plenary meeting of the members of the Mongolian Political Council is scheduled to be held at Pailingmiao, seat of the Council, on April 23. The meeting is expected to be attended by representatives from the various Mongolian Banners both in Inner Mongolia and in Chinghai (Kokonor). Pao Yueh-chin, representative of the Council at Peiping, is waiting for the arrival of Prince So and will accompany him to Pailingmiao. The tax dispute between the Mongolian Council and the Suiyuan Provincial Government having been satisfactorily settled, the Suiyuan troops stationed on the Mongolian border are being withdrawn to their original posts.

A group of Mongolian leaders from Chinghai (Kokonor)—including Prince So-Mu-Ta-Hsi, Vice-President of the Left-Wing League, Prince Su-Hu-Te-Li, Chieftain of the 1st Banner of the Right-Wing of the Cho-Lo-Shih League, and Wu Shih-chin, Principal of the Mongolian Normal School in Hsining—arrived in Nanking on April 5. The Mongolian dignitaries have come to report to Presidents Lin Sen and Wang Ching-wei on the situation in the Mongolian League in Chinghai.

The Suiyuan Provincial troops stationed in Mongolia will be withdrawn in the near future, Shih Hua-yen, representative of the Suiyuan Provincial Government, announced on April 2. The troops were despatched to Mongolia, Mr. Shih pointed out, to suppress the bandits. As their mission is now accomplished, they will be recalled to Suiyuan.

General Sung Chi-yuan, Chairman of the Chahar Provincial Government, and General Chin Teh-hsun, Commissioner of Civil Affairs for Chahar, left Kalgan for Changpeh, north-eastern Chahar, on an inspection trip on April 8. After their visit to Changpeh, they will proceed to Pankiang to see Prince Teh, the Mongolian leader and Chief Secretary of the Mongolian Political Council, and confer with him on the question of strengthening the defence of Inner Mongolia.

FORMER SINKIANG CHAIRMAN SENTENCED

After a protracted trial of nearly two years, General Chin Shu-jen, former Chairman of the Sinkiang Provincial Government, was sentenced by the Kiangsu High Court in session at the Nanking District Court on April 5 to three and a half years' imprisonment and deprivation of civil rights for five years. Immediately following the pronouncement of the judgement, General Chin gave notice that would appeal to the Supreme Court against the sentence. General Chin was prosecuted on four charges, namely, instigation of foreign menace to the State, embezzlement of public funds, murder and arson, and robbery, but was convicted of the first charge by his illegal conclusion of the Sinkiang-Soviet Commercial Treaty. The other three charges were quashed on the ground of lack of sufficient evidence.

Concrete plans for the construction of the Sian-Lanchow extension of the Lunghai Railway have been formulted by the Ministry of of Railways at Nanking. With a view to investigating conditions along the projected extension, two economic investigation parties will shortly be sent out by the Ministry.

In order to unify administration and facilitate communication, the Ministry of Communications has decided to reduce the postal rates for the border provinces to the same level as those for ordinary domestic areas. Besides reporting its decision to the Executive Yuan, the Ministry has instructed all post offices to act accordingly.

CHU TEH, ARCH RED LEADER, REPORTED KILLED IN ACTION

A *Reuter* message from Kweiyang, provincial capital of Kweichow, on April 9 reported that Chu Teh, one the "Big Three" of the Communist Forces, was killed in action three days ago, according to confessions made by the Communist prisoners. The message states that Chu's death means the loss by the Reds in Kweichow of their commander-in-chief, for it was Chu who led them in their abortive attempt to penetrate to Kweiyang.

Meanwhile, the Communists, who had been proceeding eastward apparently with the object of joining their comrades in Hunan under Ho Lung, have been turned back by an intercepting force of Government troops.

On April 2, moving in a westerly direction, they reached Fuchang, a village in the Lungli district, about 20 miles east of Kweiyang, but were there met by Central Government and Yunnan provincial troops, who proceeded to carry out

an enveloping movement. A small party of Communists escaped towards the south, but the main body is now hemmed in between Kweiyang and Lungli.

A squadron of airplanes took advantage of the fine weather on April 9 to leave its base at Chungking and bomb the Reds, causing losses estimated at 2000 killed and wounded.

Contrary to dispatches received in Canton, the Reds have been consistently avoiding contact with the Government troops, and the fighting has never reached serious proportions.

The report that 2000 officers and men have been wounded near Sifeng, 50 miles north of Kweiyang, and brought to Kweiyang is incorrect, as the Government forces have sustained very few casualties. Their losses in the assault on Sifeng were not even 100.

The strength of the Communists in Kweiyang appears to have been exaggerated. Estimates made by the military authorities place their number at no more than 10,000, while the Government forces in the province are stated to total only 30,000.

It was also stated that the foreign missionaries who evacuated Kweiyang last week did so on their own initiative.

ROUTED COMMUNISTS MOVE TOWARDS HUNAN

Following their unsuccessful attempt to penetrate to Kweiyang, the Reds have been moving in an easterly direction with the object of entering Hunan.

General Ho Chien, Chairman of Hunan, is calling a military conference at Changsha with a view to devising ways and means of dealing with the situation. Meanwhile the Hunan side of the Hunan-Kweichow frontier is being reinforced in anticipation of an attack by the Reds.

The northwestern troops under General Ho Chu-kuo, who so gallantly defended Shanhaikuan against the Japanese, are being sent from Hupeh to Hunan to participate in the operations against the Communists.

Serious fighting took place in northern Kweichow between the Reds and Central Government and provincial troops, at the beginning of the month. Under orders from Gen. Chiang Kai-shek, two divisions of Kwangsi and three divisions of Yunan troops were sent to the front.

It appears that the Reds at one time captured Chisuhai, Tuchen, Wenshuai, Tungtse and Tsunyee, but all these cities have been recovered.

CONFERENCE OF MILITARY LEADERS MAY BE CONVOKED IN KWEIYANG

With the assembling in Kweiyang of military leaders stationed in the south-western part of China, a conference of military leaders now engaged in operations against Communists will soon be convoked by General Chiang Kai-shek.

General Ho Kuo-kuang, chief of staff Corps to Szechuen left Chungking on April 6 by air for Kweiyang under instructions of General Chiang.

KWEICHOW CHAIRMAN RESIGNS POST

General Wang Chia-lieh, Chairman of the Kweichow Provincial Government, has tendered his resignation to the National Government. In a telegram to the National Government and General Chiang Kai-shek, General Wang requested that he be relieved of his post on account of pressure of duties in connection with the Communist-suppression campaign in Kweichow.

General Yu Kuo-tsai, Field-Commander of the Kweichow Communist-suppression Forces who arrived at Kweiyang from the front in western Kweichow April 2, called on General Chiang Kai-shek and reported on the Communist situation.

The Ministry of Communications has instructed its Purchasing Commission in Shanghai to send a consignment of electric wire and other equipment to Kweiyang for the improvement of telegraphic communications in Kweichow in order to facilitate the bandit-suppression operations. This action is taken in accordance with instructions from General Chiang Kai-shek, who has found the present telegraph facilities in Kweichow province too slow and in need of improvement.

SZECHUAN GENERAL DISMISSED BECAUSE OF LOSS OF TERRITORIES TO REDS

For repeated unauthorized retreat before the enemy and successive loss of important cities to the Communists, General Tien Sung-yao, one of the most influential regional militarists in Szechuan and formerly Bandit-suppression Commissioner for the Szechuan Border, has been dismissed from his post as Commander-in-Chief of the Second Route Army of the Szechuan Communist-suppression Forces by an order of General Chiang Kai-shek. The order enjoins that General Tien hand over his command to General Sun Cheng and await investigation into his case and due punishment. Meanwhile, the order instructs, General Tien's troops are to be reorganised by General Sun and his defense lines to be reformed so as to check further inroads of the Reds.

Due to his failure to put up a strong resistence against the Communist attacks, General Tien has been held responsible for the loss of many strategic cities in northern Szechuan, including Paiyi, Shaokwang and Kunchang and as a result, the Communists under Hsu Hsiang-chien grow more and more powerful and give increased difficulties to the Government Troops. Recently, taking advantage of General Chiang's absence in Kweichow, General Tien's troops again retreated without order from the valley of Chialingchiang (river), thus providing Communists with an opportunity to cross the river and penetrate further into Szechuan.

General Chiang's order has been fully complied with.

General Liu Hsiang, Commander-in-Chief of the Szechuan Bandit-suppression Forces, in an address at Chungking on Feb. 8, stated that the remnant "Reds" under Chu Te and Mao Tse-tung, like animals at bay, have fled in all directions for fear of being enveloped by the combined Central Government troops and the Kweichow, Yunnan and Szechuan provincial units. 1,000 outlaws on the northern bank of the Wu Kiang (River) have since been liquidated by the Government forces and the city of Sifeng recaptured. The main "Red" forces have fled eastward to Pingyueh, 70 miles east of Kweiyang, where they are no longer a menace to Kweiyang.

In northern Szechuan, General Liu said, the remnant outlaws under Hsu Hsiang-chien, after abandoning their old lairs, find themselves without a place where they can entrench themselves and resist the assaults of the Szechuan bandit-suppression forces.

SZECHUAN MAGISTRATES MUST STAND OR FALL WITH CITY

District magistrates in Szechuan shall under no circumstances be allowed to quit their posts in the course of the anti-Communist campaign, according to an order issued by General Chiang Kai-shek to Gen. Liu Hsiang. Any magistrate who flees before the arrival of Red troops, the order says, shall be subject to the severest puhishment in accordance with military law. At this important stage of the anti-Red campaign, the Generalissimo states, it is imperative that every one do his duty. "If the town falls," the order emphasizes, "the magistrate has no other alternative but perish with it. When signals are received about the advances of Red forces, the magistrate should lead the militia to fight the attackers to the last man."

Three important Red strongholds in northern Szechuan, namely Tingshuisze, Yuwangkwan and Nanpu, have fallen in succession to the Szechuan Bandit-suppression forces during the past few days. The remnant Communists under Hsu Hsiang-chien are now being virtually sandwiched between northern Szechuan and southern Shensi and are expected to finally exterminated in the near future.

It is announced by General Liu Hsiang, that up to date a total of $2,183,000 has been appropriated towards the military expenses of the various Szechuan units since the restoration of the civil and financial powers to the Szechuan Provincial Government by the various commanders in their respective "defence areas." A sounder financial condition for the province has been achieved by the unification of the system of tax collection, he said.

HUNAN REDS KILLED BY THOUSANDS

A joint attack against the "Reds" under Hsiao Ko and Ho Lung launched by units of the 62nd and 16th Government Divisions on April 1 resulted in the killing of 1,000 outlaws at Lupochang near Yungshun, "Red" lair in northwestern Hu3nan. The defeated marauders retreated to Feihsia Shan (Mountain) and Yuping Shan (Mountain).

The newly organized 34th Division under Lieut.-General Chen Chu-chen after routing the marauders at Lungtowchai, near the Hunan--Szechuan border, encountered a portion of the brigands at Hsienchepao and Tangfangping,

south of Lungshan city, in the extreme north-west of Hunan. In the engagement which ensued over 500 bandits were slain and a large quantity of military supplies seized.

At Meichiachiao and Kuchutu, near Sengchih, 400 "Reds" were killed by the 58th Division under Lieut.-General Chen Yao-han, while 200 others lost their lives in the hilly regions along the Sangchih-Yungshun border.

SURRENDERED RED LEADER CALLS ON GENERAL HO CHIEN AT CHANGSHA

Li Tsung-pao, a divisional commander of the Red Army in south-eastern Hunan, who had surrendered to the Government Forces, arrived at Changsha on April 8 and called on General Ho Chien. The reformed Red leader told General Ho that he belonged to the Red Youth Corps which consists mostly by boys between the age of 18 and 25 and that he himself is only 23 years old. The Red officer also submitted a plan to General Ho for the suppression of the Communists in southern Hunan. General Ho is said to have greatly commended on the wise action of the surrendered Red leader and have decided to appoint him a pacification commissioner to win over the remnant Communists in Hunan. Li has returned to Pingchow to organize an office for his mission.

NOULENS REMOVED TO HOSPITAL FROM PRISON

The Communist agitator, Paul Noulens, who is serving a life term at the Penitentiary of the Nanking District Court, having been taken ill with typhoid, has been removed to the General Hospital for treatment.

SHANGHAI-CANTON PHONE SERVICE TO BE OPENED IN OCTOBER

All difficulties in the way having been satisfactorily removed, installation work on the projected Shanghai-Canton Long Distance Telephone Service is to be started immediately and the work is scheduled to be completed in October this year, it is learned at the Ministry of Communications today. If the plans can be carried out according to schedule, it is expected that the line will be opened on October 10, the "Double Ten" Anniversary.

OVER 40 KINDS OF IRREGULAR TAXES ABOLISHED IN KWEICHOW

More than 40 kinds of the miscellaneous taxes and exorbitant levies amounting to nearly $40,000 a year have abolished in accordance with orders of the National Govment. The Kweichow Provincial Government in a telegram to the Government also declares that the Provincial Government will hereafter refrain from increasing the farm taxes or instituting illegal taxes in the province under any circumstances.

NANKING TAKES STEPS TO PURGE CORRUPTION IN OFFICIALDOM

With a view to supervising the administration of local governments and purging corruption in officialdom, the Central Political Council at its meeting on April 3 decided upon the creation of seven Control Areas in the country and announced the appointment of seven Supervising Commissioners for the respective Areas. Ting Chao-wu was appointed Supervising Commissioner for the Kiangsu Area; Miao Pei-chen for the Anhwei-Kiangsi Area; Chen Chao-ying for the Chekiang-Fukien Area; Kao I-han for the Hupeh-Hunan Area; Fang Chia-hui for the Shantung-Honan Area; Chow Li-sheng for the Hopei Area and Tai Huai-sheng for the Kansu-Ninghsia-Chinghai Area.

NEW ECONOMIC MOVEMENT—PANACEA FOR CHINA'S ILLS

"The new People's Economic Reconstruction Movement which General Chiang Kai-shek, President of the Military Affairs Commission, is sponsoring is undoubtedly the real panacea for the nation's economic ills," Dr. H. H. Kung, Minister of Finance, declared in an interview at Nanking April 4. The bandit-suppression campaign, Dr. Kung said, has led General Chiang to all parts of the country and convinced him of the fact that the regeneration of the nation cannot be effected solely by military means. General Chiang has therefore started this new movement to expedite economic recovery and thereby alleviate the plight of the people. The movement, therefore, deserves the support and cooperation of everybody.

VICTOR HOO TO REPRESENT CHINA AT OPIUM CONFAB

Dr. Victor Hoo, Minister to Switzerland, was appointed by the Executive Yuan at its meeting on April 9 delegate of the Chinese Government to the 12tth International Opium Conference at Geneva. The meeting also decided to relieve K. L. Kwong of his post as Consul-General at San Francisco and appoint Huang Chao-chin, a section chief in the Intelligence and Publicity Department of the Ministry of Foreign Affairs as his successor.

Regulations governing the functions of offices for provincial Foreign Affairs Commissioners appointed by the Ministry of Foreign Affairs consisting of 9 articles were promulgated by the National Government on April 1.

Eleven Commissioners for Foreign Affairs, according to the regulations, shall be appointed by the Waichiaopu for the various provinces in China to handle matters relating to foreign relations on instructions of the Minister of Foreign Affairs.

Provinces in which special Commissioners are assigned and the locations of their offices are fixed as follows:

(1) Chekiang, Fukien (Commissioner stationed in Foochow)
(2) Anhwei, Kiangsi (stationed in Nanchang)
(3) Hunan, Hupeh (stationed in Hankow)
(4) Szechuan, Sikong (stationed in Chungking)
(5) Kwangtung, Kwangsi (stationed in Canton)
(6) Yunan, Kweichow (stationed in Kunming)
(7) Shantung, Honan (stationed in Tsinan)
(8) Shensi, Kansu, Ninghsia, and Chinghai (stationed in Sian)
(9) Hopei, Shansi and Jehol (stationed in Peiping)
(10) Chahar, Suiyuan, Liaoning, Kirin, Heilung (stationed in Kangan)
(11) Sinkiang (stationed in Tihua)

SHANGHAI NOTABLES DECORATED

As a mark of the Government's appreciation of their liberal contributions toward the flood relief fund and the excellent results of their efforts in soliciting contributions for the cause, Tu Yueh-seng and Chang Hsiao-ling, prominent Shanghai residents, have each been awaded a medal of Green Jade by the National Government. In addition, Lin Sen, Chairman of the National Government, has presented each with an autograph scroll, which is regarded as an unusual honor. Both the medals and the scroll are being brought to Shanghai by Hsu Shi-ying, Chairman of the National Flood Relief Commission, to be handed to Messrs. Tu and Chang.

Routine Sino-British diplomatic problems were briefly reviewed in the morning of April 9, when Sir Alexander Cadogan, the British Minister, who arrived there from Shanghai the previous night, called on Hsu Mo, Vice-Minister of Foreign Affairs at the Foreign Office. It is understood that in the course of the conversations, Sir Cadogan also broached on the matter of a possible pound sterling loan to China. Having concluded his mission to the Capital, Sir Cadogan left for Peiping by the night express.

To facilitate communications between China Proper and her far-flung provinces, the Ministry of Communications has submitted a proposal to the Executive Yuan for reduction of postal rates for letters and postcards sent from China Proper to the border provinces and vice versa. The proposal calls for a uniform rate of five cents for letters between said regions which hitherto have been charged higher rates than letters for provinces in China Proper.

For the convenience of the public, an Air Mail Agency was inaugurated on April 8 in the China National Aviation Corporation at 51 Canton Road, Shanghai, for the acceptance of ordinary domestic air-mail articles and sale of postage stamps. An air-mail letter box is now placed at the door between 6 p.m. and 5 a.m. so that senders in the vicinity may post their air mail articles when time does not permit them being posted at the Post Office. As a similar box is also hung on the door of the Head Post Office between 11 p.m. and 5 a.m., the Post Office reminds the public to make use of the box as much as possible.

The Sino-British Dispute Over Panghung

BY C. Y. W. MENG (孟長泳)

Captain Fuller in the House of Commons beginning of last month asked the Secretary of State for Foreign Affairs what is now the position in the Burma-Yunnan border dispute with China?

The Secretary of State for Foreign Affairs (Sir John Simon): The question of setting up a Sino-British frontier commission under a neutral chairman to investigate the problem and submit recommendations is at present under discussion with the Chinese Government.

Captain Fuller: Is it not a fact that the boundary commission has been appointed, but there has been delay in the appointment of the chairman? Since this is under the League of Nations, could not something be done to hasten this appointment in view of the approaching monsoon?

Sir J. Simon: I was not aware of those features, but I will inquire. As regards the last observation, I think it is the case that in any event one would have to wait until late in the year.

PANGHUNG, a "mysterious territory" on the south-west border of the Province of Yunnan—"South of the Cloud"—rich in gold and silver and other natural resources, having a "golden river" which allegedly shines brightly in the night time, and which the natives have kept secret from the outside world, is another important piece of frontier territory which China claims is the "gateway" to the interior of China, and of which China could not afford to lose her right of possession and control, from the standpoint of national defence. It is another place where the foreign aggressors intend to gain entrance and possession when they have further "designs" in mind; it is also another spot where Sino-foreign relations have been constantly strained. In 1903, we heard about the British "invasion" of Pi Ma. In 1914, we heard again of a similar incident. In 1926, we heard about the British "invasion" of Kiang Sin Po. In 1933 we heard about the British "invasion" of Panghung. And now, we hear again of a similar incident. Undoubtedly, the problem before us is a complicated one, and deserves our full attention.

British Annexation of Burma

In 1862 Lower Burma had been annexed to British India, but Upper Burma had been left under the rule of its king, though within the British sphere of influence. But in 1886, apparently taking advantage of the Sino-Franco conflict over Annam when China was so much exhausted by the war and when China felt hopeless because of the situation, Upper Burma also was annexed to British India. By Article 2 of the Convention of 1886 it is provided:

> "China agrees that in all matters whatsoever appertaining to the authority and rule which England is now exercising in Burma, England should be free to do whatever she deems fit and proper."

China lost another of her vassel states! But unfortunately, the said Convention did not settle the Sino-British frontier dispute once for all. By Article 3 of the same Convention, it is provided:

> "The frontier between China and Burma is be marked by a Delimitation Commission, and the condition of frontier trade is to be settled by a frontier trade convention, both countries agreeing to protect and encourage trade between China and Burma."

This has been the origin of many disputes over the boundary between China and Burma.

Boundary Dispute Still Pending

The whole boundary line between Yunnan and Burma may be divided into "four Sections".

By Article 4 of the Convention of 1894, giving effect to Article 3 of the Convention of 1886 relating to Burma and Tibet, it is provided:

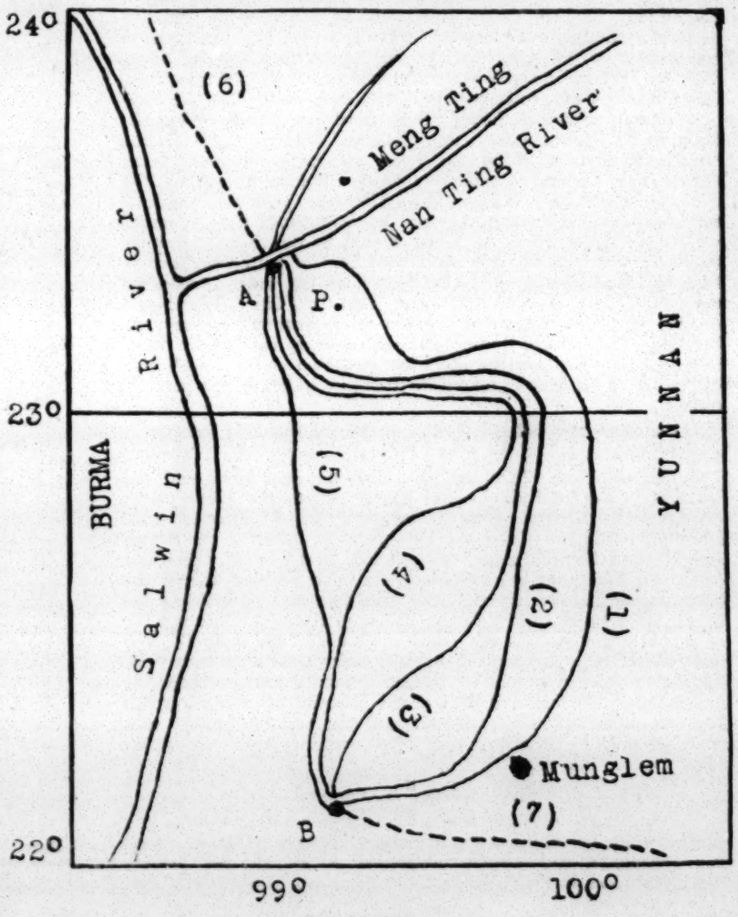
> "It is agreed that the settlement and delimitation of that portion of the frontier which lies to the north of latitude 25° 35' north should be reserved for future understanding between the High Contracting Parties when the features and conditions of the country are more accurately known."

This left the boundary line between Yunnan and Burma on the northwest—or Sect. 1—entirely unsettled. The problem is still pending today. We can do no better than to quote what was said by Shih Fu-chen, the then Chinese Minister to London in his letter to Chung Li Yamen (foreign office under the Manchu Dynasty) dated October 16 of the 19th Year of the Emperor Kwangsu, to explain the reason why it was not decided, when he said that the British intention was to open up the route between Yunnan and Tibet, and that the original demand from the Foreign Office in London was to fix this Section of the boundary line at 28° latitude. "Once we are deceived by them, and once we sign the agreement, they would surely produce such agreement as an evidence to enter Tibet. In order not to be induced by them, we prefer to provide in the Convention that the portion of the frontier north of the attitude of 25° 30' shall be left undecided," said the Chinese minister. (See: 薛福成庸庵文集十種)

By Paragraphs 1 and 2 of Article 3 of the Agreement of 1897, the boundary line between Yunnan and Burma on the west—or Section 2—was provided and settled. But the blunders committed by the Chinese negotiators in wrongly fixing the boundary line, which was responsible for the loss of the "Shan State," which had been the tributary state of China from early times, is still strongly condemned by the Chinese historians today! (For historical account of the "Shan State", see an excellent article by Tung Ching-chao, published by the *Foreign Affairs Review*, Vol. 3, No. 11.)

By Paragraphs 3 and 4 of the same Article of the same Agreement, the boundary line between Yunnan and Burma on the south-west—or Section 3—was provided, but not settled, even up to the present day!

By paragraphs 5, 6 and 7 of the same Article of the same Agreement, the boundary line between Yunnan and Burma in the south—or Section 4—was provided and settled.



KEY TO MAP

Lines Nos. 6 & 7, or Section 2 and Section 4 referred to in the accompanying article, are the boundary lines between Yunnan and Burma, already agreed upon between China and Britain.

From "A" to "B" is Section 3 of the boundary—to which the Chinese and British authorities could not agree.

Line No. 1, or "Scott Line," drawn up by Mr. Scott to be the boundary line between Yunnan and Burma.

Line No. 2, also known as "Scott Line," when he re-drew the boundary line with a view to reconciling the difference with the Chinese view.

Line No. 3, designated by the Foreign Office as the boundary line.

Line No. 4, or "Liu-Chen Line" when they re-drew the boundary line with a view to reconciling the difference with the British view.

Line No. 5, or "Liu-Chen" Line, when they first drew up the boundary line, based on the map submitted by Shih Fu-chen, the then Chinese Minister to London.

"P" stands for Pangchung.

Whither Pi Ma, Kiang Sin Po, Etc.?

Along Section 1 of the undecided boundary line between Yuannan and Burma there lies Pi Ma, Kiang Sin Po, etc., the total area of which is as big as that of the Province of Kiangsu. They are a virgin land, rich in natural resources; and they are the "gateway" to Yunnan, Tibet and Sikong. As early as the end of the

Manchu Dynastry, an attempt was made by the British to invade Pi Ma. According to Chang Feng-chi, a Chinese expert on the frontier problems, now connected with the National Defence Commission, (See his Article on "A Review of Panghung affair and the Chinese Policy", published in the *Foreign Affairs Review*, Vol. No. 5 page 51), Pi Ma and Kiang Sin-Po have already been occupied by the British. "With the Yunnan-Annam Railway penetrating into the very center of Yunnan, and with further loss of the gate in the South-west, it means that Yunnan is open to attacks both from the front and rear! So the Sino-British boundary settlement is a life-and-death struggle to Yunnan", said Mr. Chang. Therefore the British should realize that the invasion of a territory whose boundary line is, by treaty between two nations, not yet decided and settled, is tantamount to the invasion of one's territory; and that it constitutes an "aggression" in its true sense of the word in the eye of modern jurisprudence and that it is a most "unfriendly action" from the standpoint of view of the Chinese!

Whither Panhung?

It is in Section 3 of the disputed boundary line that Panhung lies. Paragraphs 3 and 4 of the Article 3 of the Agreement of 1897 provide the boundary line between Yunnan and Burma on the south-west. But by Article 6 of the same Agreement, the "alignments of the frontier described in the present Agreement shall be verified and demarcated". That is to say, some actual surveying work had to be done and the true boundary line had to be decided. In 1904, China, represented by Liu Wen Sin, the then garrison commander of Tienyueh, and Chen Cha, the then garrison commander of Yi Nan; and Britain, represented by Mr. Scott, took up said task; and on actual verification and demarcation, they found that they could not agree with each-other. (See the Map)

That is, according to the "Scott Line", as drawn up by Mr. Scott to be the boundary line between Yunnan and Burma on the south-west, (Line No. 1 on the map) Panghung is no longer the Chinese frontier territory. But according to the the other Scott Line, (Line No. 2 on the map) when he re-drew the boundary line with a view to reconciling the difference with the Chinese view, Panghung should be the Chinese frontier territory. So with the other proposed lines of boundary, such as Line No. 3 on the map and Line No. 4 on the map. According the "Liu-Chen (Liu Wen-Sin and Chan Cha) Line" (Line No. 5 on the map) Kung Ming Shen should be the natural boundary line between Yunnan and Burma. Which of these five lines is to be the boundary line, constitutes what is known as the Sino-British dispute over the frontier boundary problem, which is still pending today!

Causes of the British Action in Panghung—(1) British "3-C Policy"

The Book on "Yunnan, the Link Between India and the Yangtsze River" written by the British adventurer (Davis) who once came to this part of the world, and which attracted wide attention in England, explains well the very cause of the British activities and the many alarming reports about the British "invasions of Pi Ma, Kiang Sin Po, Panghung, etc!" To be brief, the British have long and always cherished the idea that some day the route could be opened from Calcutta to Rangoon and to "Shanghai"; or put in other words, the so-called British "3-C policy." The many motor car roads and the railways which the British have built leading to the very border of Yunnan are more than sufficient to indicate the determined British efforts to open up a direct route between India and the Yangtsze; and the further frequent and fresh activities in Panghung verify well that the British are taking steps towards this direction!

(2)—Silver Mines in Panghung

As stated above, Panghung is very rich in natural resources. As early as at the beginning of the Manchu Dynastry, a Chinese named Wu Hsiang-Yi, had already undertaken to exploit and operate the silver mines in Panghung. (See "The Truth About the Panghung Problem" by Li Sen-chung, published in *Shun Pao* Monthly, Vol. 3, No. 10). Wu was not only China's foremost miner, who had employed more than 100,000 laborers under his management, but also had done good work in giving knowledge of the Chinese civilization to the frontier people. For some reason, however, the operation was suspended.

In 1931, the Provincial Bank of Yunnan despatched Li Ching-sen to Panghung with a view to pacifying the frontier people, and getting into touch, and to discussing the terms with the local chieftains on the exploitation of the silver mines in Panghung, the alleged purpose being that Yunnan was in need of silver in the currency reform. But in the winter of 1932, by the direction of the governor-general of India, a specimen of silver in Panghung was shipped to India for experimental purposes. Not long after, it was followed by the despatch of 2,000 British soldiers to Panghung. So, many keen observers concluded that besides carrying out the "3-C policy," the British had another cause of action—that is, to gain possession of the gold and silver mines in Panghung!

This conclusion is quite right and is further verified by the fact that the British-owned Panghai Mine in Pang-fang now is near exhaustation and that the capitalists are apparently anxious to exploit other silver mines in the neighborhood in order to carry on the operation. (Panghai mine is situated in Pangfang, formerly also one of the Chinese frontier territories. But by Paragraphs 1 and 2 of Article 3 of the Agreement of 1897, Pangfang was demarcated as Burma territory, so the ownership of the Panghai mine also changed to British hands).

The Story of the Invasion

Thus it appears that the proprietors of the Panghai Mine must play a great part in the whole situation; and they are, in fact, the real figures behind the whole picture! We are reliably informed that after having decided to exploit the mines in Panghung, the proprietors of the Panghai mine began to raise sufficient capital. We are told that some American capitalists also participated in the activities. The total amount of capital was 7,500,000 rupees, paid in three installments. When the capital was raised, the construction of roads began. In less than two months, the road from Lashio to the Salwin River Bank, together with its bridges was completed. At each station of the road under construction, there were stationed about 500 to 600 British soldiers to see that there would be no impediment in the way.

In the early part of 1933, a group of miners crossed the River and arrived at Loufang in Panghung. Along the whole road, the miners were guarded by the British soliders who carried two artillery pieces and four machine guns. When they reached Loufang, the proprietors of Panghai Mines immediately despatched more than 100 laborers to the silver mines, owned by Wu Hsiang-Yi. All the silver in the deposits was being carried away to the Panghai mine for their own uses.

At first, the proprietors of Panghai mine tried to bribe the Panghung chieftains in an attempt to gain entrance into Panghung, but were refused. When the British soldiers reanched Loufang, they met stubborn resistance from the people of Panghung. On February 10, 1933, the British opened an offensive. Though it was purely a war between artilliery and machine guns of modern type on one hand, and the most primitive fighting weapons on the other hand, the Panghung people fought bravely. The severe battle took place on March 11; and on March 13 and 14, it witnessed the complete destruction and burning of the whole valley by the invaders. At last, Loufang was occupied, and the silver mines fell into the hands of the invaders! (See "The Truth About the Panghung Problem", by Li Sen-chung, who wrote the article in his office in Tienyueh on the western border of Yunnan.)

Attitude of the Panghung People Towards Chinese and British

In explaining to us the attitude of the chieftains in Panghung towards the Chinese and British, the same writer told us that the Panghung chieftains used to ask: "Why have the Chinese, for many years, not come to rule us?" "We help China to preserve the silver mines operated by Wu Hsiang-yi." "We welcome very much the exploitation of the mines by the Chinese Government, but we swear to oppose the exploitation by the British." "We are the descendants of Kung Min (a great statesman in the Han Dynasty); we are the courtiers of the Heavenly Dynasty." "Our ancestors are Chinese". "We never like to be the slaves, like Burma, to England", etc. These are frequent expressions spoken by the chieftains in Panghung, and heard by the Chinese. Here is another strong evidence to show that in the past China had ceded away one tributary state after the other to the foreign aggressors, much against the will of the native people!

British Minister's Reply Refuted

"Upon the Chinese protests, the British consul in Yunnan, in his reply to the Chinese protest, is quoted to have said that the group of the miners would not cross the "Liu-Chen Line." Sir Alexander Cadagon, the British Minister to China, in his reply to the protest of the Ministry of Foreign Affairs, was also quoted to have pointed out that the activity took place only to the east of Loufang, and that it is "quite far from the Liu-Chen Line", etc.!

It is not necessary for us to argue with the British diplomats about the fallancy of their statements. A glance at the map will at once reveal to us that Loufang is situated quite well inside the Liu-Chen Line. The British replies, to us, merely admit before the world the truth about the British aggressive action of the Chinese frontiers, but cover themselves by a "face-saving" gesture by saying that it is not within the Chinese territory, or the disputed territory between China and England.

Settlement of the Dipsute Urged

Whenever the British started their fresh activities on the North-West or South-West borders of Yunnan, they met bitter opposition from the people in Yunnan. The Chinese anti-British feeling was at once aroused. An "Association" to back up the diplomatic negotiations was at once organized. Lengthy circulars to prove that the disputed territories are, by history, Chinese territories, etc., were issued to the nation. Slogans on "Down with the Imperialism", "Take back Panghung by Force", etc., were seen everywhere. During these days when the Chinese national feeling is burning, every one should see and realize that it is always advisable that any source of conflict should be settled at the earliest possible moment. It would be very absurd for the British to insist that the "Scott Line" could be the boundary line between Yunnan and Burma on the south-west, whereby China has to lose, without any reason, one of her most precious mines. If both countries are conciliatory enough, Line No. 4 should well serve as a compromise, and as the most justifiable settlement of the dispute, once for all, between China and Britain.

Nanking, April 5, 1935.

The Marrying Missionary of Ningpo

(From China Highways, Edited by Carl Crow)

IN the old foreign cemetery at Ningpo is a group of gravestones which deserve more than casual attention, as the inscriptions tell in part the story of the loves and romances of Rev. E. C. Lord who spent the greater part of his life in Ningpo and came to be known as "The Marrying Missionary." That he amply earned and deserved this title is shown by the fact that he married and buried six wives.

Dr. Lord was born in Carlisle, New York, and came to China as a representative of the American Baptist Missionary Union in 1847 when he was thirty years old. He spent forty years in China as a missionary, most of the time in Ningpo where he died on September 17, 1887.

During 17 years of his residence in Ningpo he acted as United States consul and there are many volumes of his official correspondence which are now in the archives of the American Consulate-General in Shanghai.

The correspondence was all of an official nature and usually very brief, and so showed little of his character and interests. However, his letters are all written in a very kindly tone and are liberally sprinkled with quotations from the Bible. In the problems of the Missionaries of his district he takes quite an interest, he enters into philosophical discussions and gives them broad-minded advice, and aid.

Probably the longest letter of his in the files is one of several, written to the French Consul during the month of June 1868. This is about 1800 words long and concerns the right of freedom of speech on religious matters, which in this case, involved the antagonism of Americans and English missionaries toward the Catholic Church. He took a liberal point of view but explained that he was writing not in defence of the missionaries but only to justify his declining to take official action in matters of that kind.

Concerning work done for him and others, he wrote in 1875 that he paid his servants $5.00 a month and laborers 20 cents a day, and that he had never known a Chinese fail to live up to a contract made in good faith.

He assumed the duties of Vice Consul on April 1, 1864 and continued as such until March 28, 1867 when he received appointment as Consul. He took home leave (six months) that year "because of severe attacks of illness during the last two years." With the exception of another home leave during the last half of 1875, he continued at Ningpo as Consul until September 1881, when he was replaced by Edwin Stevens (probably a Garfield appointee) who stayed in charge of the Consulate for five years.

One of the very few personal touches to be found in his official correspondence is in a letter to the American Legation in Peking, in 1868 after his appointment as Consul, in which he says that he is still hoping to be granted a salary "but I must confess it is to say the least rather inconvenient to live on *hope alone*" (The italics are his.)

However, during the first ten years he held office he collected an average of about $500.00 gold a year, which he was permitted to use as reimbursement, and in 1876 he was granted a salary, but the fees he could take over were greatly diminished.

Ningpo had been opened up as one of the five Treaty Ports by the Treaty of Nanking in 1842. The United States did not establish a Consulate there until 1857, and in the seven years prior to Dr. Lord's appointment in 1864, the Consulate had moved seven times, and he had eight predecessors. After his appointment the Consulate had the advantage of being in the same location from 1866 to 1881 and the benefit of his great knowledge and experience as well and his well furnished offices, supplied with all the necessary books and maps, which the Government did not supply. His successor who came from the United States regretted that he did not have all this equipment.

A few months before his death, in July, 1887, Dr. Lord reported to the Consulate that his house had been robbed. The robber was later apprehended but the office records do not reveal the extent of the robbery of whether any of the lost articles were regained. In his will he left 15,000 taels, his furniture, silver, etc., to be divided by his heirs in the United States.

There is no reference in any of the consular archives to any of his marriages but the gravestones of four of them tell their own story, for they record the deaths as follows:

Jemima, born in Yarmorth, England, in 1818 and died in 1869 at the age of 51. At the time of her death her husband was 52 years old.

Lucy E. C. S. died 1876 at the age of 47. At the time of her death her husband was 59 years old.

Freelove A. died 1880 at the age of 28. At the time of her death her husband was 64 years old.

F. B. Lightfoot died 1887 at the same time as her husband. She was 30 years old at the time.

Unfortunately the record is not entirely complete, for there were two other wives, presumably buried in America on the occasion of the two home leaves which the missionary enjoyed, though some say that one was buried at sea.

⁂

THE INSCRIPTIONS ON THE TOMBSTONES

Wife No. 1

IN MEMORY OF JEMIMA, WIFE OF REV. E. C. LORD, MISSIONARY TO THE CHINESE, BORN IN YARMOUTH, ENGLAND, FEB. 17, 1818, AND DIED AT NINGPO JAN. 15TH, 1869 AFTER 25 YEARS OF LABOR AS A MISSIONARY IN CHINA AND SERVANT OF GOD. WELL DONE, REST FROM THY LOVED EMPLOY. THE BATTLE FOUGHT, THE VICTORY WON, ENTER THY MASTER'S JOY.

⁂

Wife No. 2

IN MEMORY OF LUCY E. C. S. LORD, WIFE OF EDW. C. LORD DIED AT NINGPO FEB. 27TH,1876. AGED 47 YEARS. WELCOME THE FEARLESS TASK. WELCOME THE LIFE BEYOND.

⁂

Wife No. 3

FREELOVE A. LORD, WIFE OF REV. E. C. LORD MISSIONARY TO CHINA, DIED JAN. 26, 1880 AGED 28 YEARS. BLESSED ARE THE DEAD THAT DIE IN THE LORD.

⁂

Wife No. 4

IN MEMORY OF F. B. LIGHTFOOT LORD, BELOVED WIFE OF EDW. C. LORD. BORN AT QUINCY ILL., U.S.A. AUGUST 15, 1851 DIED AT NINGPO SEPT. 15, 1887. FOR THE LOVE OF CHRIST CONSTRAINETH US. JESUS LOVER OF MY SOUL LET ME TO THY BOSOM FLY....

⁂

The Marrying Missionary's Own Tombstone

IN MEMORY OF REV. E. C. LORD, D.D. BORN AT CARLISLE, N. Y. JAN. 20, 1817, ARRIVED IN CHINA, JUNE 20, 1837. AS MISSIONARY OF THE AMERICAN BAPTIST MISSIONARY UNION. DIED SEPT. 17, 1887, U. S. CONSUL, AT THIS PORT FOR 17 YEARS. SO RUN THAT YE MAY OBTAIN, EVERY MAN THAT STRIVETH FOR THE MASTERY IS TEMPERATE IN ALL THINGS, THEY DO IT TO RECEIVE A CORRUPTIBLE CROWN BUT WE ARE INCORRUPTIBLE—1 COR. 1X. 25.

Shanghai's $50,000,000 Budget—Further Debentures to Be Issued

The Budget to be presented at the annual meeting of Shanghai Ratepayers to be held April 17 was issued during the week. The budget has been balanced only by the appropriation of the sum of $1,200,000 from the General Reserve, making a total of about $7,000,000, which has been appropriated from the same source and for the same purpose since 1932. Increased expenditure is provided for under the headings of Fire Brigade, Police Force and Prisons, the Secretariat, and General Charges.

The Budget of Municipal Income and Expenditure is again shown in two sections—General and Education. As it is not proposed to raise a special education rate during 1935, the funds required for educational purposes will be transferred to the Education Budget in accordance with existing procedure.

The ordinary income for the year after including the surplus on the ordinary budget for 1934 of $700,850 and providing for the transfer to the Education Budget of $2,270,510 is estimated at $23,643,340; to which should be added an amount to be appropriated from general reserve of $1,200,000; making a total of $24,843,340. The ordinary expenditure, exclusive of education, is estimated at $24,808,530.

The extraordinary income for the year after providing for the allocation of funds to the Extraordinary budget—education of $160,100 is estimated at $25,742,070 comprised of the following items:— Amount to be raised by debentures or other temporary measure, $15,500,000; release of Sinking Fund accumulations required for the redemption of the Loan of 1925, $7,832,170; Sales of surplus Land $2,500,000; Miscellaneous Receipts $70,000; Less —Provision for Education Budget, $160,100; making a total of $25,742,070.

The Extraordinary Expenditure, after including the deficit brought forward from the Extraordinary Budget for 1934 of $5,503,130 and providing foy Loan redemption and Sinking Fund requirements amounting to$13,839,310, is estimated at $25,652,600; leaving a Surplus on the Extraordinary Budget to be carried forward to 1936 of $89,470.

Reds Responsible for Famine Conditions in Hunan

(*From the Review's Correspondent at Hankow*)

FAMINE is stalking in the wake of the Reds. Tens of thousands of Hunanese have died of starvation during the past few months and hundreds and thousands more will doubtless succumb before adequate measures of relief can be organized. While the main cause of the famine, no doubt, is the partial failure of the crops last autumn, still the plundering and ravaging of northwestern, western, and southern Hunan by the Red hordes has been a very efficient contributing cause. From reliable reports privately received from huge sections of Hunan, famine or near famine conditions are prevailing at this moment in most of the northern areas around Tsingshih, Tzeli, Lihsien, and Tayung. In most of the cities captured by the Red commanders Ho Lung and Hsiao Keh in the northern tier of counties in Hunan province, the wealthy and well-to-do classes were either killed outright and their property confiscated, or taken captive and their stores of grain and supplies divided between the Red troops and their money kept in reserve for the secret purchase of firearms from unpatriotic and self-seeking merchants, who for unholy gain smuggle rifles and bullets into Red territory.

Another bad district is around Sinhwa, where the crops last fall were very disappointing. The Hunan provincial Relief Committee, after a rather thorough investigation, estimates that at least 110,000 have died of starvation up to the 30th of March. Relief measures have already been undertaken by the missionaries in many of these districts. The provincial authorities are also bestirring themselves, having already sent several of their number to the stricken districts.

Ho Lung Losing His Foothold In Hunan

However brave the Reds may be in defying the constituted authorities wherever they appear on the scene, they nevertheless beat hasty retreat whenever outnumbered. One of the tactics of the Reds is to fade into the landscape upon being attacked. Not wearing uniforms, the Reds have an easier time of it than would government troops should they try such a stunt. Besides Ho Lung has been traversing his own home district when hard pressed and his men find it comparatively easy to go home or visit a relative when pursued by the foe.

Robber Band Holds Up Buses In Southern Hunan

Robbers numbering 200 held up the Changsha-Chenchow bus and robbed passengers of $1000. Another bus was relieved of $200. A third bus, not being able to produce any cash, the bus-driver and three passengers were severely beaten. Seventeen suspects were subsequently arrested, and the next day one of them, a bandit, and eleven others who withheld information, were executed. The notorious bandit leader Li Chung-pao, who was reported to have completed negotiations for handing over of 800 men and 200 guns to the government, has been prevented from doing so by the "communists". Almost 1000 "communist" bandits have lately been granted amnesty by the local yamen in Chenchow, southern Hunan.

Kweichow Reds Fleeing Eastward to Hunan

General Chiang Kai-shek seems to have got Chu Teh's number. At any event the Red leaders Chu and Mao see different scenery every day. They are on the jump all the time. The generalissimo appears to be intent on making them feel uncomfortable, and is giving them no quarter. If reports received here are to be relied upon the government forces are throwing all reserves into the fray. There is bound to be a show-down. China cannot remain half Red and half White. It may all be that one of the decisive battles of the anti-red campaign will be fought on the border of Kweichow and Hunan provinces. One report from Hongkong estimates that the government troops number 75,000 and the Red forces 50,000. While this does seem to be an exaggeration, yet reliable information is very difficult to procure; and the reason is very obvious.

Red Strategy in the West.

The Red forces have brainy men. It would be blind folly to deny it. They are planning how best to conserve their forces and how to defeat the government forces with the least expenditure of men and ammunition. Their strategy at present would seem to be something like this. Leaders Chu and Mao instead of trying to take Kweiyang, the capital of Kweichow, retreat with their forces intact eastward toward Hunan. Here if possible, link up with Ho Lung and Hsiao Keh, the Red leaders of northern Hunan. Having made this union the combined forces would constitute a distinct threat to the Hunan provincial forces under General Ho Chien, or again should they seek to effect a union with their confreres in northeastern Szechwan, (a more likely course), it would be extremely difficult to prevent them from moving northwestward to the Yangtze and crossing over.

Chiang Kai-shek's Poltcy: "Divide Et Impera"

No doubt General Chiang Kai-shek is carrying out his old strategy of keeping his enemy divided into several pockets, and overwhelming one section at a time. This would account for the huge massing of troops in Kweichow at this time. With the airplane squadron in action, his fighting machine is taking on imposing dimensions and gradually becoming a more coordinated and efficient force.

Two Chaholic Fathers Beaten, Mission Looted

The Catholic mission station at Huangchiashan, Simakow, Hanyang near Hankow was attacked by a gang of seven bandits on April lst, according to a belated report. Two Catholic fathers of the St. Columban Mission were badly beaten when they remonstrated with the robbers, who were armed with knives, spades, and sticks. A Chinese boy who sought to help the priests was also injured. The robbers decamped with the loot. One of the priests is an American and the other an Irishman.

Noted Men to Visit Hankow

In the near future two noted men are to pay Hankow a visit. The one is Dr. John R. Mott, representing the International Missionary Council. Dr. Mott is on a tour of the world in the interests of the Christian missionary movement seeking the coordination of missionary effort in every department of the great mission enterprise.

The other visitor is a Harvard professor, Dr. Arthur N. Holcombe, who is to lecture at the Wuhan University on present-day American politics.

Shasi-Hankow Bicycle Race

The long-distance bicycle race from Shasi to Hankow on the new provincial highway, started off last Saturday, April 6, with 70 contestants. As the distance is over 100 English miles, the contestants rested over night at a halfway inn. The first to arrive in Hankow on the 7th of April was Tsao Ching-lin, a policeman or the Hankow S.A.D. Police Force, who covered the distance in 17 hours and 19 minutes. What would Confucius say to that!

Hankow, April 8, 1935.

Baptist Mission Reports Record Number of Baptisms in 1934

The annual report of the East China Mission of the American Baptist Foreign Missionary Society for 1934, compiled by L. C. Hylbert, states that during the year the largest number in the history of the East China Mission, came into the churches by baptism. There was also a good attendance in the Sunday schools and young people's meetings, but the outstanding feature was the active part that the church members have been taking in the work and support of the church. During the last five years some of the paid-workers were dropped while others now are working on a voluntary basis. Most of the work laid down by paid-workers is now being carried on by lay-workers. The Report stated that there is a deepened spiritual life among the preachers and evangelists and a more vigorous health and vitality among the church membership.

J. P. Davies reported that in 1934 the total number of baptisms in Kinhwa district was seventy-seven. A volunteer worker, Jih Dzi-ming, a retired business man from Shanghai, is giving valuable assistance.

A. I. Nasmith reported that the outstanding event of the year in Shaohing was the unexpected chance for the city pastor, Tsiang Teh-en, to represent Chinese Baptist churches at the World's Baptist Congress in Berlin.

A. F. Ufford reported that the work in 23 churches and chapels in the Shaohing District is now carried on by six regularly trained preachers and three assistants.

Reports were also sent in by Miss Orma A. Molton from Huchow, Miss Ellen J. Peterson and E. H. Clayton from Hangchow.

Under the heading of educational work, S. S. Beath reported that there are 538 students in the Shanghai School of Commerce. H. R. S. Benjamin reported on the progress of the S-ming Academy at Ningpo. Reports were also sent in by E. H. Clayton and Miss Lea B. Edgar of the Wayland Academy at Hangchow, Miss Viola C. Hill of the Shaohing Ching Teh Academy, Miss Gertrude F. McCulloch of the Hangchow Union Girls School, Miss Mary I. Jones of the Huchow Mothercraft School, B. A. Slocum of the University of Nanking, and F. J. White and Gordon Poteat of the University of Shanghai.

Seattle Boosts Sesquicentennial of U. S. Trade with China

The China Club of Seattle, of which Dr. Walter G. Hiltner is president, is among several organizations in the United States which will celebrate the 150th anniversary of trade with China. Celebrations will be held in Seattle and other cities May 12 to May 18. The China Club in Seattle is particularly active in prevailing upon Chambers of Commerce, schools, universities clubs, and organizations of all kinds throughout the United States to celebrate the anniversary in appropriate fashion.

Japanese National Bond Issues at End of 1935-36 Fiscal Year May Exceed Ten Billion Yen

JAPAN'S total bond issues at the end of the 1935-36 fiscal year on March 31, 1936, will exceed Yen 10,000,000,000, financial observers predicted in Tokyo, April 6.

This figure was computed after a survey of Japanese national borrowings showed an annual increase of about Yen 1,000,000,000 since 1931 when the total amount of bonds issued aggregated Yen 6,000,000,000. The issue for the 1934-35 fiscal year reached Yen 9,100,000,000.

New bond issues announced for the 1935-36 fiscal year include one for Yen 850,000,000 in the ordinary and extraordinary accounts; Yen 20,000,000 in bounty bonds and Yen 100,000,000 in national bonds for the redemption of the South Manchuria Railway foreign bonds which are due in January, 1936.

Japan to Reduce Costs in Plan to Overcome World Tariff Resistance

A Tokyo message Apr. 7 stated that Japan is planning to reduce production costs in its industry in order to surmount tariff resistance throughout the world. Three leading textile companies have joined in a program for cutting down costs through joint purchasing and guarding against overproduction. Rayon manufacturers, recently hard hit by a decline in prices as a result of overproduction, have embarked upon a co-operative program for holding production to a minimum until prices improve. The agitation for boosting the American tariff on cotton textiles has long been foreseen by Japanese textile interests, and they are prepared to meet the emergency.

Three leading Japanese cotton spinning companies have made an agreement whereby they will from now on use standardized machinary with interchangeable parts, as a part of the move to reduce production costs. Hitherto all three firms, the Kanegafuchi, the Dai Nippon and Toyo Cotton Spinning Companies, used different equipment.

Japanese Army Officers Suspended for Political Agitation

Suspension from duty of three Army officers for "violating military discipline" was announced by the Tokyo War Office April 4, following the lifting of a press ban, which had been in force since November 20 last. A statement released by an Army spokesman revealed that the actions of these three officers and a number of other young officers and cadets had been under investigation for the last five months. The group, according to the Army statement, believed that Japan was "rapidly departing from the ideals formulated at the time of the founding of the Empire," and blamed the situation on "administrative defects." Although it is known, the statement continued, that the group advocated reforms, designed "to return the national polity to its original forms," no material proof has been found that the officers contemplated "direct action." In view of this the Court-Martial acquitted all the members of the group, suspending from duty three officers for violating Army regulations both by their speech and behavior. The officers thus punished were: Infantry Captain Koji Muranaka, Lieut. Taro Kataoka, attached to the Tokyo Military Academy, and Paymaster Captain Asaiche Isobe, of the 1st Field Artillery Regiment.

Young Japanese Army Officers Disciplined Because of Speeches Advocating National Revival

Colonel Ichiro Banzai, son of Lieutenant-General Rihachiro Banzai, a member of the House of Peers and former military advisor to Marshal Yuan Shih-kai, was on April 5 ordered suspended, for six months, from his post as director of the Investigation Section of the War Ministry, following charges that he had insulted reserve officers at a dinner given by General Senjuro Hayashi, minister of war. Colonel Banzai was formerly Japanese military attache in Berlin.

Dr. Minobe Is Grilled by Court Procurator—Three of His Books Banned

Dr. Tatsukichi Minobe, author of the constitutional theory that the Japanese Emperor is "an organ of the state," was submitted to an all-day grilling April 7 by procurators of the Tokyo District Court. The procurators' action followed the filing of a complaint on February 28 by Maj.-General Genkuro Itoh, a reserve officer and a member of the House of Representatives, who charged that Dr. Minobe's writings constituted a case of lese majeste.

Dr. Minobe, who is a member of the House of Peers and a member of the Higher Civil Service Board of Examiners, stated that he is ready to revise any portions of his books that "may lead to misunderstandings".

"What I have always meant was that the Emperor was the supreme organ of the State", Dr. Minobe added.

An order banning three of Dr. Minobe's books, was issued in the afternoon of April 1 by the Ministry of Home Affairs. Six other books of Dr. Minobe will be revised by him, all passages considered objectionable by the authorities being deleted. The Tokyo procurators' office decided that no grounds for Dr. Minobe's indictment existed in the charge of lese-majeste.

Member of "Vanguard Corps" Files Suit Against Metropolitan Police

Because one of their members had suffered a broken arm and their headquarters had been "practically wrecked" in a raid by the police, the Kokusui Taishuto, (leading right 1st group) has filed a suit against Kazuo Oguri, director of the Metropolitan Police Board, and 30 police officers, in the Tokyo District Court. The action by the authorities followed the arrest of Daihachi Kikuchi, 21-year old member of the "Vanguard Corps" of the Kokusui Taishuto, who broke into the home of Baron Kitokuro Ikki, President of the Privy Council, on March 23. The youth was arrested before he did any damage by brandishing a sword, which he had carried hidden under a black overcoat. As the Ikki residence was in mourning for Baroness Ikki, who had died the previous day, Kikuchi had no difficulty in getting past the gate by mingling with other callers who went there to express their condolences. Questioned by police, Kikuchi said that he had broken into the house because he had heard that Dr. Ikki supported Dr. Tatsukichi Minobe's interpretation of the status of the Emperor under the Constitution, which has been under fire in the Diet.

Japan's Trade Council to Meet on April 22

For the first time in two years Japan's Foreign Trade Council will meet on April 22 to discuss a basic readjustment of Japan's commercial relations with other nations. The meeting of the semi-official body will be opened with an address by Koki Hirota, Minister for Foreign Affairs, which will be followed by a detailed report on the international trade situation by Saburo Kurusu, Director of the Bureau of Commercial Affairs of the Foreign Office.

Takahashi Selected for "Brain Trust" Post

Korekiyo Takahashi, Japan's 81-year old Minister of Finance, was tentatively selected April 5 by the three senior members of the Cabinet as the vice-chairman of the projected National Policy Council, Japan's prototype of the American "brain trust." The decision was made by Premier Keisuke Okada, Chuji Machida, Minister of Commerce and Industry, and Takejiro Tokonami, Minister of Communications.

A False Prophet Begins to Serve Prison Sentence

Motoyoshi Anai, 36-year old "chief priest" of the Sun-Moon religious fanantics, began serving an eight-month jail sentence April 3, following conviction on charges of fraud, larceny and violation of the Electrical Enterprise Law. In the arrest ot Anai last November, police believed that had rid Tokyo of one of the most dangerous figures of the many who have in recent months preyed on wealthy and susceptible women. He posed as a prophet of ancient gods ("kami"). His hold on his followers was so strong that after his arrest, a band of his followers gathered outside the Suginami police station, where he was confined, beating drums and shrieking that the authorities would be punished by the "kami," for having imprisoned their prophet. Anai collecteed at least Yen 140,000 in cash and property in various illegal fashions before his strange career of crime was checked.

Japanese Economic Mission Leaves for Brazil

An economic mission, headed by Hachisaburo Hirao, President of the Kawasaki Dockyard Company, departed from Japan April 8 for Rio de Janeiro by way of the United States. Entroute to Brazil, the party will visit cotton mills in Texas, investigate business conditions in Chicago, Detroit and New York.

Ten Thousand Attend Sino-Japanese Alpine Club Meet

Ten thousand persons attended the inauguration ceremony of the Sino-Japanese Alpine Federation organized under the auspices of Kiang Hwa-pen, Chinese Consul at Kobe, April 7. About 15 Chinese mountain climbing enthusiasts are members of the new organization. The Japanese members are headed by Dr. Yoshiyuki Imai.

Pootung District Incurs Deficit by Money Spent on Education

J. K. Choy, Commissioner of Finance for Greater Shanghai, made public this week the financial statement for the Pootung District for the year July 1, 1933 to June 30, 1934. It showed a deficit of $193,136.10. The total income was $193,652,90, of which $136,987.94 was contributed by municipal rates. The outstanding feature of the total of $386,789 expenditures is that $246,180 was devoted to education.

Visa Refused for Japanese Labor Leader to Enter U. S.

The refusal of Arthur Garrels, U.S. Consul-General in Tokyo, to grant Kanji Kato, executive director of the Joint Council of Japanese Labor, an entry visa, April 8 led to the indefinite postponement of the latter's visit to America at the invitation of the American Federation of Labor. Mr. Kato was scheduled to sail April 8 for San Fransisco aboard a Japanese steamer, having recently been advised by the steamship company, that U.S.$180 had been paid to their Seattle branch on March 5 by the Committee on Unemployement Relief and Health Maintenance of the A. F. of L. to pay for his transportation, second class.

Immediately upon the receipt of this notification, Mr. Kato began a tour of Japan, holding 33 meetings, where he asked his audiences of workers what they wanted transmitted to the laborers of America. He received 417 different requests.

Having secured his passport from the Japanese Government, he applied for an American visa. This was held up.

"The American Government has resorted to this form of oppression because I intended to make my visit to America an occasion for the creation of a real bond of friendship between the workers of America and those of Japan and to stress the injustice of the anti-Japanese exclusion act," Mr. Kato told newspapermen.

"The Government's nervousness must have been further aggravated by the recent state of unrest because of the gradual evolution in the N.R.A. program and the approach of May Day," he added.

"I still intend to go, no matter what the United States Government may have to say about it. American workers want me over there and I shall be there," he asserted. The above information is supplied by the *Rengo* News Agency, which incidentally mentioned that Mr. Kato speaks very little English.

Probe into Alleged Chang Hsueh-liang Bribe Is Continued

Kazufumi Tsuruoka, 56 years old, former member of the Lower House of the Japanese Diet, who was involved in the "500,000 Yuan Case," in which Takejiro Tokonami, Minister of Communications, was alleged to have indirectly received said sum from Marshal Chang Hsueh-liang as a bribe, was summoned to the Procurator's Office of the Tokyo District Court April 8. He was examined by Procurator Soeki Kiuchi. Mr. Tsuruoka, together with Shosuke Akatsuka, former member of the Lower House and erstwhile Consul-General in Mukden, who was also examined on April 2, were questioned by procurators as material witnesses in connection with the charges against Sergeant-Major Naoki Nojima, a former member of the Gendarmerie Corps, who is alleged to have made the case public in a pamphlet published in violation of the Publication Law. The pamphlet gained notoriety during the last extraordinary session of the Diet, when it was widely quoted in support of the attacks on the Communications Minister. Mr. Tokonami was accused of taking a bribe from the "Young Marshal" in 1929, in return for the promise to influence the Government in its policy towards China. Einosuke Yamamoto, connected with the Mukden Special Service Corps of the Kwantung Army, who stood as witness when the safe of Marshal Chang was opened—together with Major-General (then Colonel) Doihara, Lieutenant-Colonel (then Major) Hanaya, Lieutenant Colonel (then Major) Oseko, and Major (then Captain) Usuda, of the Special Service Corps of the Kwantung Army—is said to be greatly dissatisfied with the manner in which the so-called 500,000 yuan incident was put into oblivion in the Diet.

Russians Sees Japanese Stranglehold in Siam

Moscow *Pravda* Apr. 8 published an article dealing with the struggle for Siam and dwelling on the list of events that have taken place in Siam. "King Prajadhipok," writes the newspaper, "lost his throne because his pro-British policy hampered Japanese plans. Siam is one of the strategical points which support and secure the operations of the Japanese naval and air fleet in the Pacific Ocean. Gaining a foothole here completes the chain of Japanese strategical points, the support of which makes her secure in the event of decisive collisions in the Pacific Ocean. Domination of Japan in Siam is a direct blow to the interests of Great Britain in the Pacific Ocean."

Chinese Military Attaches Are Decorated

In recognition of their meritorious services abroad, honors have been conferred by the National Government on several military attaches serving on the staff of Legations in foreign capitals, upon the recommendation of the Ministry of War.

Colonels Hsiao Shu-hsuan and Tang Chih, respectively military attaches of the Legation at Tokyo and Paris, are awarded the Grade A, First-class Medal, of the National Land, Naval and Air Forces.

Captain Liu Tien-fu, naval attache of the Legation at Tokyo, and Colonel Chou Chi-min, military attaches of the Legation at Washington, are awarded the Grade A, Second-class Medal.

Ford Motor Production Shows Big Increase

Production by the Ford Motor Co. during the month of March was more than double that of the corresponding period last year. The number of units produced totalled 158,887, compared with 77,947 in March, 1934, showing a gain of 80,940 units. The American Telephone and Telegraph Co. also reported an increase of 44,900 telephones during the month of March for the entire Bell System, which compares with an increase of 37,000 during February this year and a gain of 51,600 during March last year.

Farley to Resign from Cabinet so as to Run Political Drive

James A. Farley, postmaster general of the United States and chairman of the National Democratic Committee, announced April 7 that he is going to resign his job in the Roosevelt Cabinet so that he can direct the electoral campaign for the 1936 presidential election.

Changes Made in Sugar Quotas into America

The Agricultural Adjustment Administration April 6 changed the 1935 sugar quotas as follows :—Hawaii.—Increased from 895,000 to 928,000 tons ; Puerto Rico.—Increased from 784,000 to 788,000 tons ; Cuba.—Decreased from 1,857,000 to 1,829,000 tons ; Philippines.—Increased from 991,000 to 983,000 tons.

Adolph S. Ochs Dies at the Age of 77

The death occurred in New York April 8 at the age of 77, of Adolph S. Ochs, publisher of the *New York Times*.

U.S. Steel Corporation Had Deficit of $21,667,779.95 in 1934

The annual report of the U.S. Steel Corporation for 1934 showed a deficit of $21,667,779.95, but a dividend of two percent was paid, amounting to $7,205,622, which was provided out of undivided surplus.

San Quentin Prison Inmate Hanged Despite Stay of Execution

A negro youth named Griffin was hanged by mistake in San Quentin Prison April 7, through a clerk failing to notify the warden that an appeal with automatic stay of appeal had been granted.

American Desperado Is Taken Alive—To Be Electrocuted

America's current Public Enemy Number One, Raymond Hamilton, murderer and desperado, was captured alive near Fort Worth, Texas, April 5 by Sheriff Schmid. He will be electrocuted May 10.

U.S. Moves to Take Profit Out of War

The House of Representatives April 6 voted to increase the potential wartime manpower of the United States to a total of 23,000,000 men. An amendment, which passed almost without a note of protest, was added to the McSwain bill, which called for changing the draft ages of from 21 to 31 years to 21 to 45 years. Other amendments provide: A tax of 100 per cent. on all "excess" profits during war time ; granting of power to the Government to seize all resources in the nation, financial as well as material ; guarantee to soldiers and sailors that they will be paid the minimum prevailing wage of unskilled labor ; an order prohibiting American soldiers in the future to fight on foreign soil, the edict calling for troops of the United States to bear arms only in defence of U.S. borders.

U. S. Navy Maneuvers Will Avoid Arousing Japanese Susceptibilities

Anxious to avoid a move which might arouse the susceptibilities of the Japanese people and Government, President Roosevelt has decided to change the program of the U.S. naval maneuvers in the Pacific, slated for May. Accordingly, the exercises will be held at least 2,700 miles from all Japanese territories.

Germans Fail to Get Two-Thirds Majority in Danzig Elections

In the Danzig elections April 8, the Nazis won 44 seats, or 60 per cent of the seats in the Diet, which is less than the two-thirds majority required for making constitutional changes. The figure means an increase of only four Nazi seats in Parliament.

Ford V-8 Breaks Saigon-Hanoi Record

Recently M. Tisserand broke the motor car speed record between Saigon and Hanoi by traversing the 1732 kilometer stretch between these two cities in 19 hours and 59 minutes. This means a speed of 86.6 kilometres or 53.7 miles per hour.

Chinese Railways

Nanking-Shanghai and Shanghai-Hangchow-Ningpo Lines

From Shanghai to Nanking: 311.04 Kilometers

From Shanghai to Hangchow: 189.57 Kilometers

The Nanking-Shanghai Line extends from Shanghai, one of the greatest seaports in the world, to Nanking, the seat of the Nationalist Government of China. Short as it is when compared with the other trunk Lines in China, it serves a rich and densely populated district of preponderant importance, politically, as well as commercially and industrially. The whole Line is dotted over with points of known scenic beauty too numerous to be all mentioned here. Tourists and travellers should utilize the train service of this Line at least to visit Soochow, known as the "Garden City of the Orient," Wusih, the picturesque city on Lake Tai-hu, Chinkiang, the "Gate of the Yangtze River," and Nanking, a city rich in historic remains with the new grand Mausoleum of modern architecture for Dr. Sun Yat Sen, Founder of the Chinese Republic.

The Shanghai-Hangchow-Ningpo Line runs southwestward from Shanghai through a tract of beautiful places. At Lunghwa one will see the famous Pagoda with a long history attached to it; at Sungkiang, the observatory of the French Fathers at the summit of Sha Shan and the grave of General Frederick Ward; at Kashing, the South Lake and the Three Pagodas situated about two miles from the station; and at Hangchow, the present terminus of the Line from Shanghai, the renowned West Lake which called forth highest praise from Marco Polo, with such picturesque surroundings that it has been well called the "Switzerland of China." Tourists! A visit to Hangchow by the comfortable trains of this Line will give you the utmost satisfaction of travel and untold pleasure of sight-seeing.

For further information apply to the Traffic Manager of the two Lines at Shanghai North Station.

NEW STAMPS ISSUED IN PU YI'S HONOR

The Manchukuo Government issued special illustrated post cards on the occasion of the trip of Pu Yi (described by the Japanese as "Emperor of Manchukuo") to Japan, two of which are shown herewith.

The card at the top shows Pu Yi in his uniform as Commander-in-chief of the Manchukuo Army.

At the upper left is one of the new stamps (three-cent denomination.)

The card at left shows Pu Yi's Palace at Changchun, and the Japanese cruiser "Hiyei" on which he travelled to Japan. The stamp shown is of one-and-a-half cent denomination.

Japanese Entertain Pu Yi on Lavish Scale

The Japanese battership *Hiyei* with Pu Yi (described by the Japanese as Kang-te, "emperor of Manchukuo") on board, duly arrived in Yokohama April 6. All the ships in harbor were decked with bunting, sirens were shrilling and guns booming out a 21-gun salute as the *Hiyei*, with the five-colored naval ensign of Manchukuo flying at the peak, moved up Tokyo Bay towards the landing jetty, escorted by the 12th Destroyer Flotilla (the *Murakumo*, *Usugomo* and *Shirakumo*) and a squadron of airplanes from the Yokosuka Naval Base. Special precautions on land, sea and in the air were taken by the authorities to protect the visiting "emperor." A small army of 900 policemen guarded the Customs landing at Yokohama while more than 60 police motor-boats saw to the enforcement of the order prohibiting all harbor traffic after 8 a.m. Several squadrons of naval planes from the Tateyama Air Base circled above as the warship steamed in.

Pu Yi proceeded almost immediately to Tokyo. Emperor Hirohito proceeded personally to Tokyo Central Station to greet the visitor. Both the Japanese Emperor and Pu Yi were clad in the gala uniform of the commander-in-chief of the armies of their respective countries.

Pu Yi was host April 7 to Prince Yasuhito Chichibu, brother of the Emperor, and Princess Chichibu and other Princes and Princesses of the Blood.

Following an occidental dinner, eaten to the accompaniment of Western classical music, a toast to the health of the visitor was proposed by Emperor Hirohito. In his address of welcome the Japanese Ruler stressed the "inseparable relations" between Japan and Manchukuo, and congratulated the visitor on the progress made by the new State. A return toast to the health of the Japanese rulers and to the prosperity of Japan was made by Pu Yi. In his speech he expressed his pleasure at being able to visit Japan, and thanked the Japanese Government for the assistance given in the founding of the new State and in its preservation since.

About 100 high ranking officials of the Japanese Government and officers in the Army and the Navy, as well as other distinguished persons, were received in audience by Pu Yi at the Akasaka Palace April 8.

Fifteen thousand men of the crack Imperial Guards division, augmented by 8 regiments, paraded across the Yoyogi parade grounds, as 89 airplanes of the latest design roared overhead in Tokyo April 9 in Pu Yi's honor.

On April 10 Tokyo citizens gave an official welcome at the Kabuki Theater. Pu Yi attended accompanied by Minister Shen Jiu-lin. Mayor Ushizuka delivered the address of welcome.

China Sends Actor to Russia and Art Objects to England

The Editor, *China Weekly Review* :—

Russia has invited Dr. Mei and his party to her Moscow and other various places with the obvious object of fostering better Sino-Russian relations, just at the time of the sale of the C.E.R. This may be a conicidence or a pre-arranged scheme, we do not know. We cannot probe into this question too deeply. Just as a movie star is necessarily a dreamer, so is a diplomat an actor and hyprocite. Whatever the cause may be, surely Russia is learning fast the way Japan handles China. We should expect some day that Soviet Russia will extend her most cordial invitation to President Lin for a sight-seeing trip to Russia, demonstrating Russia's friendship with China and simultaneously, send an army to Sinkiang to "assist" China. If this does happen in the future, it need not surprise us, because Soviet Russia understands that the Chinese care more about the admiration and appreciation, showered on them by other nations, than anything else. They appreciate more the remarks of the Russian theatrical critics than the sale of the C.E.R.,—which is too materialistic for them.

We must admit that we are very vain, sometimes, or very often. We love to hear others say, "Your Four Thousand Years of Civilization and your Confucian Philosophy, etc.!" This accounts for our readiness to accept the proposal to ship our antiques to England for exposition on the Jubilee of King George Fifth of England. Why this pride exists is another long and complicated problem, but suffice to say that the Chinese nowadays have almost nothing to be proud of, so they are obliged to look back thousands of years to find consolation; otherwise I do not ee why we have to look back so constantly.

s

The future of China, and Asia in general, is not so promising as present conditions indicate, although the once rivals for the suit of North Eastern China seem to have joined hands. Let us not forget that Asia is also a part of the world and that troubles in Europe will necessarily affect Asia and vice versa. Japan and Russia may be wise in playing off China at this juncture when the other Powers are too occupied to interfere with their interests for the present moment, but complications will be sure to show their faces later. It is needless to say that China has been the victim of all the haphazards in Asia. The League has betrayed her once; why should she fall to the trap again by putting the case before the League of Nations? She should realise fully from now on, and in fact should have, four years ago, and shoulder her own task —guaranteeing her own present and future security.

Shanghai, March 30, 1935. ALFRED Y. L. KONG.

Dr. Mei Lan-fang Says His Sojourn in Russia Has Been a Great Holiday

In an interview in Leningrad Dr. Mei Lan-fang, famous Chinese actor, said the days his troupe had spent in Soviet Russia had been a great holiday for himself and his companions. Dr. Mei expressed the wish that the Soviet theater would soon show examples of its mastership in China. Replying to the question "What significance to the cultural rapprochement between China and the USSR can the touring of the Chinese theater have?" Dr. Mei said: "I believe not a little. For the consolidation of friendship and mutual understanding there is no better way than art which leaves not fleeting but prolonged impressions on the hearts of the people. That is why I hope that our tours will serve as a beginning for a still closer cultural collaboration between the USSR and China, two neighborly and friendly peoples."

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Is the World on the Eve of Another Great War?

BY CHEN FU-SHENG (陳福生)

THE world is drifting in a current towards war. Every day it drifts the current becomes stronger. Nothing but a right-about-face and a powerful pulling on the oars of peace can take the world out of the current and save it from the danger of war.

Rearmame of Germany

Two "tender spots" in the European political and military scene have caused the world anxious concern: the plebiscite in the Saar Region and the rapid rearming of Germany. With the Saar returned to Germany, the prospects of peace in Europe seemed bright but with Germany's denunciation of section 5 of the Treaty of Versailles and her plans for a standing army of 500,000 men, a general sensation has been created and an international furore has been stirred up.

The rearmament policy of Germany lends itself to at least three interpretations. One is taking it as a means to an end—Germany intends to win, by rearming herself, a position in the family of nations, equal to that of other Powers. Second, it might be taken to indicate that Germany is preparing to strike very soon at the Soviet Union or France. Third, it may have been a feeler to determine just how other nations, or at least certain nations, would stand in event of a Soviet-German or Franco-German clash.

The writer is inclined to think that behind Germany's rearmament lies her ardent wish to achieve the degree of independence which once characterized the Hohenzollern rule. The bitter experience China has had since the Mukden incident in 1931, teaches Germany a great lesson. There is no treaty, indeed, which is stronger than the law of self-preservation. Only by rearming herself can Germany stand on her own feet and deal with other countries on a footing of equality. Germany's violation of the Treaty of Versailles, though deplorable, arises out of necessity.

The Attitude of Other Powers

Of direct interest in connection with Germany's rearmament, is the attitude of other Powers, France, Italy, Russia, England, America and Japan. France, needless to say, is highly indignant over Germany's action. Italy, though dissastified with Germany, has a milder attitude. Russia, engaged in sub rosa activities, preserves a discreet diplomatic reserve. England is involved in Machiavellian tactics. On one hand, she has consulted with France and Italy concerning Germany's move; on the other hand, she has maintained a friendly relation with Germany and made overtures for reconciliation. Unless something unforeseen intervenes, she will not adopt a hostile attitude towards Germany. America is following closely the developments in Europe. Her policy movements are dictated by a policy of extreme diplomatic caution. Some prominent Americans see the advisability of America's remaining neutral in case of a European clash. The world is interlocked. Grave danger or unrest anywhere is a universal concern. America, so far as my observation goes, can hardly be neutral if there happens a war in Europe. In this connection the following *United Press* despatch dated March 21, is worth noting:

> "The United States may be forced to abandon her middle of the road policy as regards German rearmament—or face the possibility of standing alone among nations in refusal to recognize Manchukuo . . . . . Diplomatic observers indicate that serious complications may arise from the continuation of a middle of the road policy in view of the fact that France has flatly announced that she will not recognize the legality of the German armament program . . . . A special session of the League of Nations Council has been called for April to study the situation. The League, it was recalled, has supported the United States in its Far East policy of refusing to recognize any territory gained by force of arms. If the League votes to punish Germany and the United States refuses to join in the program of chastisement, then it is possible that the nations affiliated with the League may decide to change from the American policy and recognize Manchukuo."

Official circles in Japan are reticent over the issue of German rearmament. To many, it seems that should a war break out between Germany and Russia, Russia will expect Japan's attack at the rear. In the event of a Russo-German war, Russia, in my judgment, may expect an attack from Poland, probably not from Japan. The sale of the C.E.R., if it has not removed the underlying causes of tension between Russia and Japan, has at least eased that tension by removing one of the sources of friction. Very likely Japan's move concerning the European situation will be dictated by Great Britain's action.

An Immediate War?

Many observers seem to agree that there is immediate likelihood of international war as a consequence of Germany's rearmament. I, however, am of the opinion that the rearmament of Germany has the effect of plunging the powers headlong into an armament race but it may or may not immediately give rise to war. Only time can tell what really will happen in the ever-shifting scenes of international politics.

Foochow, March 30, 1935.

Bank of China Report Tells of Trade Crisis

BY PAUL K. WHANG (汪仲芳)

THE Bank of China Report has once again made its annual appearance. It proves most interesting reading, not only because of the fact that China is now being faced with an unprecedented crisis, but also for the reason that a great change is now being made in the organization and personnel of the Bank itself. As usual, the Report is replete with valuable informations and statistics, but its tone, in comparison with that of the former Reports, seems to be more guarded. This is possibly due to the reason that in gaining its popularity, the Report has to be couched in carefully-selected terms, even to the extent of sacrificing its eloquence.

True, the suppression of Red-banditry along the Central Yangtsze Valley and the closer co-operation in political relations between the Central Government and the Southwest and between the Central Government and local government authorities last year made the future political outlook more hopeful, but the pathological symptoms, which had been very much emphasized in the said Bank's previous Reports, became accentuated as a result of the American Government's silver-purchase policy. Therefore while China's excessive imports decreased from $867,000,000 in 1932 to $495,000,000 in 1934, the net outflow of the precious metals from China, in accordance with the Report, increased from $200,000,000 in 1933 to $390,000,000 last year.

In referring to the local financial stringency, the Report has disclosed some interesting facts, which have been generally overlooked. The fact that "between May and December last year there was a decrease of $57,000,000 in the silver stocks of Chinese banks in Shanghai, as compared with a decrease of $203,000,000 in the silver stocks of foreign banks", and that "the foreign banks have been more concerned with real estate",—reveals the reason why there has been such a serious decline in real estate prices. In other words, the curtailment of credit facilities on the part of foreign banks as a result of the withdrawal of their silver stocks has been largely responsible for the present real estate crisis. The real estate holders who have depended upon foreign banks to carry on their speculative operations have been virtually left in the lurch.

A Plea for Lower Rents

The suggestion that "rents must be related to the purchasing power of the community so that houses may be occupied and rents may be paid" is a timely one to those real estate holders and brokers who have been apt to figure the landvalues on the basis of the number of population without giving any attention to the standard of living of the people. Time and again we have been assured that Shanghai's land values are very low in comparison with those of other big cities of its size, but this comparison is generally made on the basis of population only. It is hoped that after the present collapse, a sounder and more stable basis for the valuation of real estate will be established in accordance with the suggestions embodied in the Report.

The Report gives a detailed review of China's industries in 1934. Of all the industries, silk and cotton had especially a very hard time. "The total export of raw silk from China last year was only 33,000 quintals, a decrease of 29 per cent as compared with the previous year." In regard to the cotton industry, it says, "Though there was an increase of 150,000 spindles in 1934, the total production of yarn and thread was only 2,272,834 bales, a reduction of 59,850 bales as compared with 1933. The greatest part of this reduction was by Chinese mills, their production being 45,000 bales less than in the preceding year. The production of cotton cloth in 1934 was 23,456,437 pieces, an increase of 3,343,537 as compared with 1933, made up of an increase of 3,861,143 pieces by Japanese mills and a decrease of 508,088 pieces by Chinese mills." In view of the recent sale of the Sung Sing Cotton Mill, we have reasons to fear that China's cotton industry may pass into the control of the Japanese interests before long.

The Report dwells much on the evils of China's unfavorable balance of international payments. It says, "Apart from the immediate influence of the U.S. silver-purchase policy, the fundamental cause of the exports of silver from China has been the country's unfavorable balance of international payments." This state of affairs has been in turn caused by an unfavorable trade balance. In order to stop the outflow of our silver stocks, we have no better method than to rationalize our foreign trade. The measure for the rationalization of foreign trade as adopted by foreign countries are many. The most common one is to build up a high tariff wall to shut out foreign commodities. Besides, the quota system has also been used to restrict the importation of certain articles. Restricted by commercial treaties, we are not in a position to adopt all these measures.

In this connection, Yue Kwei-zun, an authority on economics and finance, has laid down four measures, which should be considered in conjunction with the measures contained in the Report for the purpose of encouraging our exports and decreasing our imports. They are:

(1) To increase the import duties on agricultural produces and luxurious articles.
That the dumping of foreign rice, wheat, flour and cotton has a very pernicious effect on our agricultural products is a matter of certainty. Therefore their import duties should be increased. In case of famine, we can fix up a quantity to be imported free of duty. That duties on luxurious articles should be increased is self-explanatory. But as articles of this category are very different in kind and small in size, they can be easily smuggled. In order to meet this smuggling menace, frequent inspections should be conducted in the factories and shops which use and sell these articles respectively.

(2) To improve the quality of our agricultural produces and abolish the export duties thereon.
Our exports largely consist of agricultural products. But because of the lack of adequate transportation facilities and the inferior quality of our products, their exports have rapidly declined. The government authorities have now begun to give their attention to the improvement of the quality of cotton, raw silk and tea. It is hoped that the same attention should also be given to wood oil, hides, furs and skins, bristles, eggs and egg albumen, etc., so that their exports can be increased. The abolition of export duties on those agricultural produces will reduce their cost of production so as to make them more marketable in foreign countries.

(3) To swap goods for goods with foreign countries.
We can arrange with Soviet Russia to exchange our tea for her petroleum products, and with the United States to barter our raw silk and wood oil for her cotton.

(4) To encourage the growth of our industries.
As a result of the dumping of foreign products and competition of foreign factories in China, our infant industries are now at the end of the rope. As a measure to encourage our industries, the Government should give big cash rewards to those factories which produce goods of a very good quality and have a superior technique, a good management, and a more than usual production. Ten to twenty per cent of the consolidated taxes collected should be set aside for these cash rewards. This method will encourage the industries more than the granting of subsidies.

The Fundamental Cure

It is generally agreed that the fundamental cure of our presnt illness lies in the balancing of our international payments. So long as our international payments remain unfavorable, the last ounce of our silver stocks will flow out of this country. A foreign loan may give us a brief breathing space; but even if a loan of as much as $100,000,000 can be secured, it will not enable us to carry on more than one year under present conditions. After that, what can we do? On the other hand, our financial condition will become more critical, inasmuch as our unfavorable balance of international payments will be further increased by the payments of principal and interests on the loan.

Moreover, in face of the present world business depression, all the countries have their own problems to solve. Besides, international prejudice and rivalry will not make an international loan agreement feasible. Therefore, whether this loan can be secured is a big question. Even if this can be secured, it will take a long time for its realization. We can not extinguish a big fire with water to be fetched thousands of miles away. Therefore, the Report is justified in saying, "The first and most important step is that the Chinese people should decide to stand together in measures directed to bringing the crisis to an end. Such efforts may encourage assistance from abroad, but, if this help is not obtained, self-help and self-reliance will be more than ever necessary."

In a word, in speaking of relieving our financial distress, we must take our national economy into consideration, and should by no means prescribe a remedy to cure financial illness only. Our financial illness is not a local disease, which can not be cured unless our national economic distress be first relieved. Instead of finding fault with our monetary system and confining our attention to securing foreign financial help we should remove the fundamental cause, from which our present illness has originated.

Shanghai, April 8, 1935.

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Tientsin to Enlarge Opium Treatment Clinic

The Tientsin Municipal Government has decided to enlarge the Municipal Clinic for the treatment of opium addicts so that the campaign for opium suppression may be concluded at an early date. A total of 800 opium smokers have been cured of this undesirable habit since the establishment of the clinic two months ago, according to Wang Yu-jui, director of the clinic. The clinic, however, at present can accommodate only 400 patients at a time.

Death Penalty for Persistent Drug Addicts

Those who still find themselves slaves to the use of narcotic drugs or morphine injection after two years of warning through announcement of the rules, that is, those who are found guilty of this offense beginning the year of 1937, shall be given the death penalty or life imprisonment, according to additional regulations issued by the Generalissimo's Headquarters supplementary to the Anti-Narcotic-Drugs Regulations promulgated last May 11. The supplementary regulations governing the suppression of narcotic drugs in China, which consist of 12 Articles, were made public in Hankow April 4. According to Article 4 those who manufacture, traffic in and sell narcotic drugs shall be punished by death, and those who assist in any way in this offense shall be given from 5 to 12 years imprisonment or life term according to the degree of seriousness of the accomplices' part in the offense.

Kiangsu Holds Anti-Opium Oratorical Contest

After days of preliminary competitions, the finals of the Kiangsu Provincial Anti-Opium Oratorical Contest for high school students were held at the provincial Party Headquarters at Chinkiang April 7 in the presence of over 1,000 guests. Miss Chang Shu-pao of the Nanking Girls Middle School won first honor, speaking on the subject "Failure of Opium Suppression Work in China in the Past and Hopes for the Future." Out of the winners of the first 9 places, five were girls.

Chekiang Strictly Enforces Opium Suppression

General Huang Shao-hsiung, Chairman of the Chekiang Provincial Government, has announced that opium-suppression will be strictly enforced in Chekiang province in pursuance of the instructions of General Chiang Kai-shek.

Dr. John R. Mott, Veteran Y.M.C.A. Worker Arrives in Shanghai---Proceeds North

Dr. John R. Mott, Chairman of the International Missionary Council and President of the World Alliance of the Y.M.C.A., arrived in Shanghai April 8 on the Dollar liner *President Coolidge*, accompanied by Mrs. Mott. They were met at the ship on arrival by W. W. Lockwood, Rev. E. C. Lobenstine, Dr. J. Usang Ly, E. E. Barnett, and S. C. Leung, general secretary of theY.M.C.A. National Council.

Dr. Mott is espousing the cause of co-operating and the co-ordination of religious interests, whether in America, the Continent, Great Britain, or the mission fields of Asia, Africa and other parts of the world. He also favors the independence of mission churches when they are able to function without aid of foreign supervision, but at the same time, as he pointed out in an interview, there are advantages of a homogeneous unified control for all denominations.

Dr. Mott admitted that, owing to financial conditions, there had been some retrenchment among the mission boards at Home, contending at the same time, that ample funds existed, if wisely spent. In his opinion, it is better to lop off useless branches than to violate vigorous roots.

Dr. Mott will spend one month in China before proceeding farther. During his two days stay in Shanghai he was guest of honor at a reception given by Mayor Wu Teh-chen. He proceeded to North China April 11, and will return here again shortly.

Three Suits Pending Against Peiping Union Medical College

Three suits against the Peiping Union Medical College have been filed in the U. S. Court for China. Suit has been filed by Dr. John W. Spies of the Peiping Union Medical College and Alice Moore, daughter of one of his patients, designed to enjoin Roger S. Greene, the P.U.M.C. director, from dismissing Dr. Spies before expiration of his contract next July 1 on a variety of grounds, including that of damage to Dr. Spies' patients.

Dr. Chester Van Allen is suing for U.S. $34,000 for alleged wrongful dismissal. H. A. Raider of Peiping asks U.S.$10,000 for damages connected with the death of his wife at Peiping March 6 of this year, alleging that certain attaches on the case were "ill-qualified and incompetent."

Japanese Recruit Chinese Workers in Hopei and Shantung

The Japanese authorities at Tientsin are carrying on an intensive campaign for the recruitment of Chinese workers in the flooded areas in southern Hopei and western Shantung to proceed to Manchuria. Due to the incompetency of the personnel of the former recruiting office a new director has been appointed with offices at a steamer anchored off Tientsin. It is stated that several thousand workers have already been recruited and twelve steamers were anchored at the Municipal Wharf in Tientsin April 8 to carry the coolies to Yinkow.

100,000 Koreans Will Move into Manchuria

Ten thousand Koreans will enter Manchukuo during the coming fiscal year to help cultivate farm lands in North Manchuria, according to an announcement by the Governor-General of Korea. Two thousand homes, divided into four villages of 500 homes each, will be built for them. Each Korean household will be given about five acres of land to develop. It is understood that the Koreans will settle in the Hulan, Wucheng and Kiangshih districts in the North.

A total of 28,500 persons emigrated from Korea in 1934, 90 per cent of them leaving for Manchukuo, it was announced April 8 by the Korean Government-General. Of the total, 17,700 were males and 10,800 females.

Hundreds of Chinese Coolies Leave for Jehol

Several hundred Chinese laborers passed Tsunghua in northern Hopei, last week on their way to Jehol, where they will be employed by the Japanese authorities for the construction of the projected Pancheng-Linyuan railway.

Harbin Merchants Protest Against Tax Increases

Business circles in North Manchuria are strongly opposing an increase of taxes by the Manchukuo authorities. M. Huenovsky, Chairman of the Russian Chamber Commerce in Harbin, is reported to have filed a strong protest with the Manchukuo authorities over the increase. The revised tax rates are stated to be from five to twelve times higher than those existing under the former Chinese administration.

Authorized Oil Distributors Begin Operations

Ten authorized oil distributors, with a total capitalization of Yen 1,060,000, opened business on April 10, when the new Petroleum Industry Control Law went into effect. In the list is the General Wholesale Oil Co., registered as a Manchurian concern.

Manchukuo Oil Monoply Not Enforced in S. M. R. Zone

A *Reuter* message from Mukden April 8 stated that the predictions made by Manchukuo officials that the oil monopoly would be effective in the South Manchuria Railway Zone are not borne out by Ordinance XXIII, issued by the Kwantung Bureau. Although the permission of the Japanese Ambassador to Manchukuo, General Minami, is required for importing, exporting, and wholesaling, existing dealers will be permited to continue sales, subject to police supervision, which embraces even sale prices.

S.M.R. Revenues Show New Record

Revenues of the South Manchuria Railway during the 1934-1935 fiscal year which ended on March 31 reached a new all-time record, the Railway Department of the Company announced in Dairen, April 5. The total sum collected was Yen 125,631,821, of which Yen 21,036,734 was paid in passenger fares, while freight charges totalled Yen 104,595,087, the announcement added.

Victims of Harbin Explosion Seek Damages

The owners of property at Kondatieffka, the Harbin suburb which recently suffered heavy damage owing to the explosion of several Manchukuo munition magazines, have nominated a committee to negotiate with the authorities for compensation.

Japanese and Manchukuo Soldiers Killed in Train Wreck

More than 30 Japanese and Manchukuo soldiers were killed in an explosion which followed the collision of a train loaded with explosives and other military supplies with a freight train at noon April 6 on the Kirin-Tumen Railway.

New Prison System in Manchukuo to Be Enforced from May 1

In preparation for the projected abolition of extrateritoriality in the country, the Manchukuo Government has decided to enforce a new prison system beginning May 1.

Foreign Secretary Simon Admits Manchuria "Open Door" Not Unconditional

The question of the Open Door in Manchukuo was raised in the House of Commons April 1. A Conservative member drew attention to the official statement by the Japanese Government that Manchukuo's promise to maintain the Open Door was conditional upon recognition of the new State by foreign governments. The Foreign Secretary, Sir John Simon, replying, said that telegraphic reports indicated that the adherence of the existing regime in Manchukuo to the Open Door was not unconditional.

Korea to Invite Tenders for Bridge Building

Tenders for the construction of two bridges on the Korean-Manchukuo border will be invited by the Korean Government-General sometime next month. Both bridges will span the Tumen River, one of them, costing Yen 240,000, between Onjo and Liangshuighantzu, and the other, costing Yen 520,000, between Keigen and Hunchun.

History of Li Dynasty of Korea Is Completed

Members of the household staff of Prince Li Gin, descendant of the former Kings of Korea, last week completed a compilation of the history of the dynasty. The work, undertaken five years ago, covers events that took place over a period of five centuries and ends with the death of Prince Li Seki, brother of the present head of the House, in 1926.

Former Soviet Railway Directors Leave Harbin for Russia

Having wound up all the affairs connected with the transfer of the North Manchurian (Chinese Eastern) Railway the seven remaining Soviet former directors of the Railway departed from Harbin, April 3, for Moscow by train.

Few C.E.R. Workers Are Willing to Return to Russia

The number of former employes of the Chinese Eastern Railway who are willing to return to Russia is likely to be much smaller than previously expected, according to a report received from Harbin. The report further states that the Manchukuo authorities have announced their intention to pay all retiring allowances to these former employes in Manchurian dollars, which fact is stated to have caused many to reconsider their plans for returning to Russia. In the meantime, it is learned that the Manchukuo authorities are trying to persuade these former employes of the C.E.R. to invest their allowances, estimated at Yen 30,000,000 in Manchuria.

Col. Takahashi Says Anti-Japanese Propaganda Continues

Charging that the Nanking Government authorities were "indifferent" to continued anti-Japanese activities in North China, Colonel Tan Takahashi, assistant military attache of the Japanese Legation in China, announced in Tokyo, April 5, that he would soon "take up the matter with the Chinese authorities." "If the Nanking Government has really embarked on a policy of readjusting Sino-Japanese relations, as it has been reported, this should have brought some change for the better in the situation in North China. But a state of affairs, entirely contrary to the one imaginable from those reports, is at present prevailing in North China," he said.

"The solution of questions concerning the demilitarized zone and other problems which have arisen under the Tangku Truce Agreement made no progress and remain as unsolved as they were at the time of the resumption of through postal service between Manchukuo and China in January. These are but a a few concrete examples which can be cited as revealing the insincerity of the Nanking Government," he declared. "Anti-Japanese movements are still being openly conducted in North China. The Chih Sing Sho, an anti-Japanese organization led by professors, college and high school students, for instance, is openly engaging in anti-Japanese and anti-Manchukuo agitation by circulating inflammatory posters and handbills," he added.

Colonel Tchou Decribes Miserable Lot of Factory Workers

Colonel Thomas Tchou, former director of the Department of Labor, Ministry of Industry, in charge of drafting the Labor Laws promulgated by the national government in 1929, declared in a speech Mar. 31 at the Foreign Y.M.C.A. in a lecture on "The Industrial Revolution of China," that China will become the sweatshop and slum of the world and will be regarded as a serious menace if the present conditions among her industrial workers continue as they are now. Though certain progress has been made and though labor laws have been promulgated, Colonel Tchou said that they are not enforced and that intolerable conditions exist among the factory workers China which, unless changed, will impair China's progress to such a degree that advancement will be extremely difficult.

Stating that China is on the brink of an industrial revolution and that no sane person will regard the machine itself as a curse of humanity, Colonel Tchou said that he had hoped that China would benefit by the mistakes of other countries, that machines in China would give security and balanced prospects to the masses. Unfortunately, the speaker said, up to now, China has not benefitted by the mistakes of other countries, is repeating them, and is on the threshold of dire consequences unless she does so. The speaker pleaded for progressive enforcement of the labor laws which China has enacted.

"Carolus" and American "Trade" Dollars Reappear in Kiangsi Province

The two coins illustrated herewith, practically of the same value as the Chinese "yuan" (successor to the so-called "Mexican" dollar—which has long since disappeared from Mexico itself) are still current in certain parts of Central China. The originals of these coins were sent to *The Review* by E. A. Turner of the National Committee of the Chinese Y.M.C.A. The dollars in all probability were taken to Kiangsi many years ago and used for the purchase of tea and then disappeared from circulation. The Carolus dollar was the first dollar to be introduced into China. During the Napoleonic wars about three-quarters of the trade of China was paid in Carolus dollars. As time went on the Carolus dollar was gradually displaced by the "Mexican" dollar, which has in the meantime been superseded by the present "yuan," or Sun Yat-sen dollar.

Top:—**"Head" and "tail" respectively of "Carolus" dollar, minted by the Spanish Government in 1791. The coin bears the impress of the head of Carolus (Charles) the Fourth, King of Spain.**

Bottom: **"Head" and "tail" respectively of American "trade" dollar issued by the U.S. government in 1874.**

The American "trade" dollar was coined by the United States, following the industrial revival after the Civil War with the express purpose of fostering trade with China. The scheme proved a failure mostly because it contained 420 grains of silver as against the 416 grains of the Mexican dollar. The Chinese instead of using the American coin for trade, promptly stored it away or melted it down for its silver content. Thus the U. S. "trade" dollars disappeared (generally speaking) as soon as they arrived, leaving the Mexican dollar supreme in this part of the world for about half a century. A considerable quantity of the "Carolus" dollars, and a small proportion of the American "trade" dollars found their way into the interior of China, particularly in Kiangsi province, where they were, to a large extent, hoarded. The are now again appearing in circulation, evidently because the holders have been despoiled by the Communists or have been deprived of all other resources through other causes.

German Widow Decides to Become a Buddhist Nun

Chinese papers in Peiping April 4 related the story of a German woman who has recently arrived in Peiping with the expressed intention of entering a Buddhist convent as a nun. The woman, whose name is given as Maria, had come to Peiping from Shanghai. In telling her life story to Chinese press reporters she said that she had come to Shanghai from Germany with her father at the age of thirteen. After completing her education, Maria married a young German resident of Shanghai. They lived happily together for serveral years, but three years ago her husband died. Since the death of her husband Maria's life has been lonely and difficult. She suffered so from the circumstances of her life that at last she decided to become a Buddhist nun.

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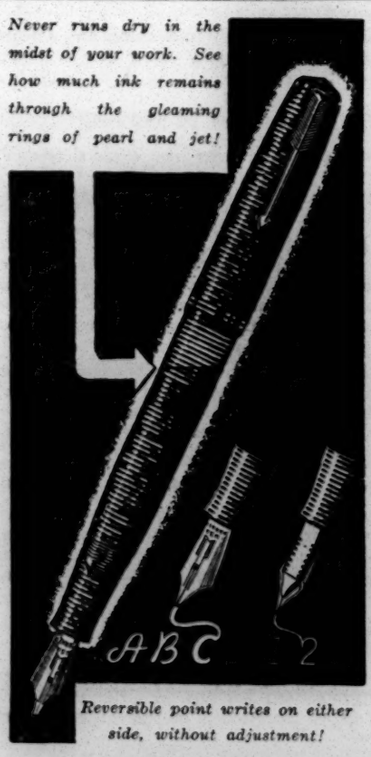

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(H)

N.E.C. Experts to Study Conditions in Szechuen

A party of four experts dispatched by the National Economic Council proceeded to Chungking during the week. The party consists of Messrs. Huang Hsien-lu, Chang Tse-yao, Yu Hsiang-ling and Sheng-ting. The object of the mission is to study the agricultural, industrial, trade, currency and financial conditions in Szechuen province.

Survey of Nanchang-Pinghsiang Highway to Be Continued

Survey of the route of the Nanchang-Pinghsiang (in southern Kiangsi near the Hunan border) Highway will be resumed and a surveying party will leave Hangchow for Kiangsi next week.

General Chiang Kai-shek, has authorized the remittance of $100,000 towards the construction expenses of the Yenping-Shahsien-Liencheng Highway, in northern Fukien, and another sum of $10,000 for the two branch highways.

Kiangsi to Establish Porcelain and Paper Factories

The Kiangsi Provincial Government is planning to establish factories for the manufacture of paper, lumber, pottery and porcelain.

New Omnibus Service Started in Hunan

Omnibus service was started April 1 on the Taipingpu-Maanpu portion, in north-western Hunan, of the Taoyuan-Yuanling section of the projected Hunan Kweichow Inter Provincial Highway.

New Observatory to Be Established at Kweiyang

A meteorological observatory will shortly be established at Kweiyang, by the Academia Sinica.

New Wharf at Lienyunkang Is Completed

Construction work has been completed on the No. 1 Wharf at the port of Lienyunkang, the eastern terminus of the Lung-Hai Railway in notheastern Kiangsu, enabling three 3,000-ton steamers to berth alongside.

Wuhu-Tunki Railway Opens Travelling Exhibition

A Railway Products Travelling Exhibition for the Wuhu-Tunki Railway, in southern Anhwei, was formally opened in Wuhu April 1.

The Peiping-Suiyuan Railway Administration has organized a economic investigation commission to tour along the different railways to investigate economic conditions along the lines. The Commission is composed of six members, with Li Ting-pa as chairman.

Gold Mines to Be Exploited in Shantung

The Shantung Provincial Government has decided to establish a special bureau for the exploitation of the gold mines in Ishui, in southern Shantung, and Chaopuay, Pingtu and Mouping, in the eastern part of the province.

Negotiations for a loan of $2,200,000 from the Development Finance Corporation to finance the construction of the projected electric plant and waterworks in Nanchang city have been concluded between T. L. Soong, General Manager of the Corporation, and Kung Hsueh-sui, Provincial Commissioner of Reconstruction for Kiagnsi.

General Chiang Kai-shek, has ordered the Nanchang branch of the Agricultural Bank of China (former Four-Province Farmers' Bank for Honan, Hupeh, Anhwei and Kiangsi) to loan a sum of $500,000 to the Kiangsi Provincial Government for the establishment of rural loan agencies.

Lung-Hai Railway Orders New Passenger Cars in England

The Lung-Hai Railway Administration is understood to have placed an order in Europe for steel passenger coaches at a cost of more than $3,300,000. The new cars will be used on the direct service between Hsuchow and Sian, the western terminus of the line.

Peiping-Suiyuan Railway Route Changed so as to Avoid Flooding

The engineering work for changing part of the course of the Peiping-Suiyuan Railway in eastern Suiyuan, in order to improve traffic and prevent flooding, is expected to completed by the end of June.

Foreign Shipping Companies May Not Join Through Traffic Service

It is reported that the Ministry of Foreign Affairs, at the instance of the Ministry of Communications, has rejected the requests of several foreign shipping companies to join the chain of Chinese railways and shipping companias now operating a through transportation service in the country. The requests were made by Butterfield and Swire, Jardine Matheson and Co. (British), and the Nisshin Kisen Kaisha (Japanese), through their respective legations.

$123,472 Remitted on Nanking Railway Loan

A sum $123,472.67 (equivalent to £110,000), towards amortization of the loan obligations of the Nanking-Shanghai Railway Administratoration, was remitted last week to the British and Chinese Corporation, it is learnt at the Ministry of Railways. This amount went towards payment of obligations, due in March, for the purchase of rolling-stock. The sum was appropriated from the railway's "special reserve fund" and payment was made through the Hongkong and Shanghai Banking Corporation.

China Uses Only One-third of U.S. $50,000,000 Credit

Using only about one-third of the U.S.$50,000,000 credit authorized by the Reconstruction Finance Corporation, China has concluded her purchases of American cotton and wheat. Jesse Jones, chairman of the R. F. C., announced April 2 that China had bought 159,536 bales of cotton, 338,000 barrels of flour and 10,769,340 bushels of wheat. The total cost of the purchases was U.S.$17,105,000 consisting of U.S.$10,000,000 for cotton, U.S.$6,000,000 for wheat and U.S.$1,105,000 for flour.

Imported Chemical Fertilizers to Be Subject to Inspection

A set of regulations governing the inspection and testing of imported chemical fertilizers has been issued by the Ministry of Industry to the various bureaus in charge of testing of commercial commodities for enforcement.

The regulations provide that all imported chemical fertilizers must be subject to examination. A certificate will be granted when the article is found to conform to the regulations of the Ministry. Without such a certificate, no imported chemical fertilizers may be sold in the country.

Chinese Purchasing Commission Orders 200 Freight Cars in England

The Chinese Government Purchasing Commission ordered from British firms a hundred covered and a hundred uncovered freight cars. The cars are to be all of steel. A quantity of machinery, to the value of £116,000, was also ordered for the Canton-Hankow Railway.

American Economic Mission Arrives in Japan

The American Economic Mission, headed by William Cameron Forbes, arrived in Japan last week by the Dollar liner *President Hoover*. The visitors were greeted on arrival by a large group of leading Japanese businessmen, headed by Chokuro Kadono, president of the Japan-America Trade Conference.

An address of welcome was made by Baron Seinosuke Goh, President of the Japan and Tokyo Chambers of Commerce and Industry, who pointed out the "mutually beneficial nature" of the American-Japanese trade. Baron Goh warned against the erection of trade barriers, and suggested the total abolition of the quota system. He also praised the work of the Japan-America Trade Council, which regulates Japanese trade with the United States.

Calls were made by members of the Mission on Premier Keisuke Okada at his official residence, on other members of the Cabinet, on the headquarters of the Nippon Economic League and the Japanese Industrial Club.

The members of the Mission were the guests of Joseph Clark Grew, American ambassador to Tokyo, at a tea party, April 5, following which they attended an informal dinner party given by a group of Japanese businessmen.

Mr. Forbes in an interview reiterated a statement made in San Francisco that the present Mission is a private undertaking neither representing the Government, nor receiving any financial aid from the Government. The members of the party consist of representatives of the banking, foodstuffs, textile, automobile, airplane, shipping and other business and industries, who plan to study conditions in Far East in their respective fields of interest.

The Mission will leave Japan for Shanghai on April 19.

Reception Committee Establishes Quarters at Park Hotel

The office of the Reception Committee, jointly organized by the Foreign Trade Association of China, the China Committee of the International Chamber of Commerce and the Shanghai Chamber of Commerce, for the American Economic Mission, has been set up at Park Hotel.

Additional members have also been appointed to serve on some of the sub-committees. The new members are as follows:

Sub-Committee on Proposals: Pei Sung Sun, director of Bank of China, N. C. Chang, sub-manager of Chekiang Industrial Bank, Y. C. Hou, member of National Economic Council. Miss S. M. Djang, Bank of China, L. G. King, Bank of Communications, D. B. Cheng, and others.

Sub-Committee on Publicity: T. C. Hsiao, *Central News* Agency.

Sub-Committee on Program: S. H. Tong, Secretary of City Government of Greater Shanghai, Dr. A. U. Nien, C. P. Hsu, Z. L. Chang, Yu Ming, Mrs. Pei, Mrs. Mei and others.

Julean Arnold, U. S. Commercial Attache, A. Bassett, director of British-American Tobacco Co., and C. H. French, vice-president of Andersen, Meyer & Co., will cooperate with the reception committee, and when necessary, will join the meetings of the sub-committees to decide upon details.

The Chinese Chambers of Peiping, Hankow and Canton are being informed of the programs of the Mission and asked to extend their welcome.

W. C. Forbes, Chairman of the Mission, wired from Japan to Dr. Francis Pan, secretary of the local Reception Committee, regarding the arrival of the Mission in Tokyo. In the return cable, the Committee expressed its welcome and suggested that the Mission also visit Szechuen.

American Chamber Collects Information on Effect of High Duties

The import committee of the Shanghai Chamber of Commerce is circularizing members with a view to securing data regarding goods and articles the import volume of which has been adversely affected by high duties or restrictive regulations imposed by Chinese Government authorities. This subject will be among those which will be discussed with members of the American Economic Mission when it arrives.

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Ministry of Communications Reports on 1934 Operations

The report issued by Dr. Chu Cha-hua Minister of Communcations, covering operations during 1934, has been issued in brochure form by the *United China Press*. Among the subjects covered in the Report are the following:

Introduction of Post Office Life Insurance.—This system will afford the poor people an appropriate means of protection and encourage them to form the habit of thrift. The premiums received may be appropriated as an investment measure, for the development of local public enterprises, whereby society in general—and especially the common people—will receive benefits directly or indirectly.

Expansion of Government International Radio Station.—The business of the Government International Radio Station has been rapidly increasing since December, 1930, when direct circuits with San Francisco, Berlin, and Paris were opened. In 1934 the Shanghai-London and Shanghai-Tokyo circuits were inaugurated, and in January, 1935, the Shanghai-Rome circuit was opened. The traffic of the station has increased by leaps and bounds. The Ministry contemplated the establishment of direct radio communication with India, Australia, and Canada, and as the existing transmitting and receiving equipment was insufficint for the purpose, one or two sets of high-power automatic transmitters and receivers were to be purchased. Further, in consideration of the large amount of messages from and to Tientsin, Tsingtao and Hankow, medium-power automatic transmitting and receiving stations was to be set up in these places to communicate direct with Japan, the Philippines, and French Indo-China. Thirteen transmitters of 3½ kilowatt power each were ordered installed at important points, serving the double purpose of carrying on international service and accelerating the transmission of inland telegrams.

Promotion of Publicity.—Now that the telegraph and telephone systems are fairly well equipped, and as a result, communications are facilitated, more attention will be directed to social and commercial news, to the spread of information concerning communications enterprises, and particularly to international publicity. In the various large towns broadcasting stations are being installed.

Commercial Aviation.—The China National and the Eurasia Aviation Corporation are quite sound in their internal organazation, and have always paid attention to the training of competent Chinese pilots, who must pass similar rigorous tests as are generally given to would-be pilots in foreign countries. Many young men are now undergoing special training, and the hope was expressed that during the year a class of competent Chinese pilots with more than 1,000 hours of flying experience would be enlisted for active service.

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Dr. Kung Urges Investigation Into Alleged Conservancy Corruption

A thorough investigation into the charges of corruption among certain officials handling emergency repairs to the Yellow River dyke at Changhuan was urged by Dr. H. H. Kung, minister of finance, who is chairman of the River Commission of the National Economic Council, in an urgent telegram sent to Gen. Yu Hsueh-chung, chairman of the Hopei Provincial Government, April 10.

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M. T. Mag. 4-35 No. 4-35

Japan Places Order For Three Douglas Planes in United States

Orders for three complete D. C. 2-type 14-passenger airplanes have been filed with the Douglas Aircraft Manufacturing Company of Los Angeles by the Nakajima Aircraft Manufacturing Company for use on the Japan-Formosa airline, which is scheduled to be inaugurated Jan. 1, 1936. The Nakajima Company received a license to manufacture Douglas aircraft in Japan, but because of the lack of time to rearrange its production schedule so as to turn out the huge passenger ships, the first three craft of that type will be bought complete in the United States. One other Douglas ship is now in Japan.

Tateyama Aviation Corps Planes Start on Circuit Flight

Two huge Japanese flying boats on the No. 90-type and No, 91-type, each with a crew of about 10 persons, took off from Tateyama April 8 on a 1,770-mile long distance flight around Japan.

Eight More Planes Added to Chinese Air Forces

Amidist scenes of great rejoicing and in the presence of more than 10,000 people, the naming ceremony of the eight airplanes donated to the Government by the postal and telegraph employees and the Huchow Silk Guild School was held in Nanking April 4, with Wang Ching-wei, President of the Executive Yuan, presiding.

Japanese Aviator to Fly From London to Tokyo

As soon as he secures a permit from the Nanking Government to fly over Chinese territory, Katsutaro Ano, youthful Japanese aviator, plans to leave London on a flight by easy stages to Tokyo.

Six Killed in Crash of Big Netherlands Plane

Six persons were killed when a Royal Dutch passenger air-liner crashed at Brilon, near Cassel, on the new Prague-Amsterdam route, April 6. The machine struck the ground while flying very low.

New British Monoplane Will Have Collapsible Landing Gear

An English commercial aviation company announces that it will shortly include a new type of monoplane with lowered wings and collapsible landing gear which can be folded into streamline in midair. The machines will be driven by two motors of 270 horse-power, and will be capable of a cruising speed of 155 miles an hour.

America Needs Planes for Defence, Representative McSwain Urges

Urging the United States immediately to launch a tremendous air defence construction program, John J. McSwain, Democratic Representative from South Carolina, recently declared this is the only method by which America can stay out of war. The present European situation, he declared, is graver than at any time since a few weeks before the World War. "The only real defence against invasion is an air force capable of turning back from our shores the possible invading aerial units of a foreign power" Mr. McSwain Stated.

Marquis Li's Sentence Reduced, But He Is Ordered to Refund Tls. 700,000

Marquis W. H. Li, formerly general manager of the China Merchants' Steam Navigation Company, lost his appeal at the Shanghai District Court, Nantao, April 5. Following the retrial ordered by the Nanking's highest Court, the Kiangsu High Court again upheld the conviction of Marquis Li on charges of malfeasance in office, misappropriation of funds and the signing of an allegedly illegal loan agreement with the China Realty Company for the sum of Tls. 30,000,000. However, his prison sentence of three years and six months, was reduced to 14 months with the days in detention, previous to the conclusion of the case, to be counted as part of the prison term at the rate of two days' detention to count as one day's prison term.

Marquis Li was also ordered to refund Tls. 700,000, the first instalment of the loan which he is alleged to have turned over to his superior, Chen Fu-mou, for safe-keeping, with 8 per cent interest to be calculated from date of receipt to date of payment.

Asia Life Insurance Company Reports Strong Cash Position

C. V. Starr, presiding at the annual meeting of the shareholders of the Asia Life Insurance Company in Shanghai April 5, stated that the cash position is strong, with $677,043.04 in banks and on hand. The assets increased by $1,169,990.23 during the year. Of this amount $232,358.99 was loaned to policyholders against the security of their reserves and the balance was invested. Average interest earned on mean invested assets was 5.8 per cent. Messrs. Mansefield Freeman, Tsu-yee Pei, F. J. Raven, C. L. Seitz, C. V. Starr, T. O. Thackrey, and N. Vander Starr, were re-elected directors.

The House of Commons Discusses Chinese Eggs

The following discussion took place regarding eggs imported into England from China in the British House of Commons last month:

Oswald Lewis asked the Minister of Health whether he is satisfied that the Chinese eggs imported into the country are in all respects fit for human consumption?

Mr. Lambert: Is the Minister aware that something like 700,000,000 Chinese eggs produced by hens fed under the most loathsome conditions are annually brought into the country, and can they be fit for human food?

Sir H. Young: I am aware of the eggs but I know nothing about the hens.

Mr. Lambert: But has the right hon. gentleman any knowledge of how these hens are fed in China?

Sir H. Young: No, Sir, and that is why I said I was not aware of them.

Mr. West: Does the right hon. gentleman not consider that on health grounds alone the importation of these eggs ought to be prohibited and will he not consider the desirability of publishing a list of the British importers of these eggs?

Sir H. Young: A very careful watch is being kept on the subject. The hon. member will hear from the answer that there is no positive evidence of danger to health.

Mr. Thorne: May we have some of these eggs in the refreshment room, so that we can test for ourselves whether they are fresh or not?

Major-General Sir Alfred Knox: Will the right hon. gentlemanlay some of these eggs on the table of the House?

Phenomenal Spurt in Export of Sesamum Seed to United States

Exports from Shanghai to the United States jumped from U.S. $3,718,906 during the first three months of 1934 to U.S. $5,521,-554 during the January-March, inclusive, period this year, according to statistics compiled by the U.S. Consulate General in Shanghai. January-to-March exports of sesamum seed from Shanghai to the United States last year amounted to U.S. $2,249 and jumped phenomneally to U.S. $1,419,805 during the corresponding period this year. Cotton seed oil exports during the period last year were nil, while this year they totalled U.S. $338,153. Wood oil exports, amounting to U.S. $71,546 during the first three months of 1934, increased to U.S. $191,176 during the same period this year.

Sesamun seed contains a nutritive oil, which is expressed from it. It is largely used in the production of foodstuffs, particularly margarine. In some European countries the law prescribes that margarine must always contain at least 10 per cent of sesamum-seed oil, in order that butter adulterated with margarine may be readily detected. The demand in the United States has been largely due to the shortage of cotton seeds—from which oil is made serving practically the same purposes as that extracted from sesamun seed. Owing to the demand for sesamun seed, Chinese farmers, particularly in Chekiang province, are raising large quantities.

New Commissioner of Reconstruction for Hupeh Appointed

Liu Shou-chang has been appointed member of the Hupeh Provincial Government in succession to Li Pan-yi, who resigned. The promotion of Kao Tsung-wu, assistant Director of the Department of Asiatic Affairs of the Ministry of Foreign Affairs as Director of the Department, was approved at a meeting of the Executive Yuan April 2. In accordance with a petition from the Military Affairs Commission, Generals Yang Chih, Ho Yao-tsu, Huang Mu-sung, Ho Kuo-kwang, Wan Fu-lin, and 85 other military commanders were appointed Major-Generals of the Army at the same meeting.

General Hu Yao-tsu, Chinese Minister designate to Turkey, departed from Shanghai April 10 by an Italian steamer enroute to his post.

Kuo Chun-tao, Political Vice-minister of Industry, who was dispatched by the Ministry last year to Europe and the United States to investigate industrial and commercial conditions retutned to Shanghai on April 8 by the s.s. *President Coolidge*.

R. H. Lockhart, newly appointed Counsellor of the American Legation in Peiping, took up his duties April 1, succeeding Clarence Gauss, who recently departed to take up a new appointment as Counsellor of Embassy and consul-general in Paris.

G. S. Moss succeeded Sir Meyrick Hewlett as British Consul General in Hankow April 1.

Who's Who in China

Teng Han-hsiang, Government official; born at Panhsien, Kweichow, 1887; was graduated from the miliatry schools in Kweichow and Hupeh; participated in the First Revolution of 1911 and was appointed a staff officer in the Headquarters of the late General Li Yuan-hung, then Tutuh of Hupeh and later Chief of Staff to the 1st Revolutionary Army of the Northern Punitive Expeditionary forces; after the unification of the North and the South, he was appointed a section chief in the General Staff Headquarters with the rank of Lieutenant-General; in 1915, when Gen. Chen Kwan was military Governor of Szechuan, he was appointed his Chief Adjutant Officer with the rank of Major-General; during the years of 1918-9, he served as senior counsellor to the Commander-in-Chief of the Kweichow Forces; Chief Counsellor to the late General Lu Yung-hsiang, then military Governor of Chekiang, 1920-22; Chief Secretary of the Cabinet and concurrently member of the Foreign Relations Committee during the regime of Marshal Tuan Chi-jui as Chief Executive of China, 1925; in 1929, he was appointed by General Liu Hsiang, then Director-General of Militiary Affairs in Szechuan, his responsible representative in Nanking and as a result of his efforts during the past six years, Szechuan has been enabled to come into close relations with the National Government; following the recent reorganization of the Szechuan Provincial Government, he has been appointed an executive member of the Provincial Government and concurrently Chief Secretary; address: Szechuan Provincial Government, Chungking, Szechuan.

鄧漢祥號鳴階
Teng Han-hsiang
(Teng Ming-cha)

鄧漢祥號鳴階，生於貴州省盤縣，時西歷一千八百八十七年。幼喜武略，先後入本省及湖北陸軍學校，畢業後，聯合同志，倡導革命於武昌，革命軍起，被任黎元洪都督戎幕參謀，北伐第一軍部參謀長，統一政府成立，薦爲參謀本部科長，授陸軍少將。民四陳宧將軍入川，調充將軍署副官長，并升授陸軍中將。民七八，就聘黔軍總司令部高等顧問。民九，民十，民十一，任浙江盧永祥督署總參議，策畫一切，倚爲心膂。民十四，段祺瑞執政，擢升參政院參政，國務院秘書長，外交委員，內外政務，多賴裁決，望重一時，民十八，四川督辦劉湘，慕其才，聘爲負責代表，歎接中央，五六年來，日臻團結，促進統一，值四川新省政府改組，被命爲委員兼秘書長之職。

Ewo Mill Chairman Protests Against High Raw Cotton Duties

Speaking at the annual meeting of shareholders of the Ewo Cotton Mills Ltd., April 3, B. D. F. Beith, the chairman, stated that a serious blow to the cotton mill industry had been the jump in the duty on raw cotton from G.U.3.50 to G.U.5.00 per 100 kilos, or roughly from $5 to $7 per picul, at the then ruling exchange rates. Although import duty etc. is not charged on Chinese cotton, it has the effect of raising its price accordingly. Mr. Beith incidentally called attention to the fact that the increased heavy duty was enforced without warning.

Reorganization Plan Drawn Up for United Theatres, Inc.

Judge Helmick of the U.S. Court for China has set April 16 as the date when formal objections may be made by shareholders to the reorganization plan of the United Theatres, Inc., which was filed last week. The petition in support of the reorganization was drawn so that the creditors might be protected under the new United States bankruptcy laws. The creditors are: National City Bank of New York, Eastern Engineering Company, Everbright Metal Company, Studio de Art, Inc., and Chibunovsky Company.

In the United States Court for China

In re. Last Will and Testament of FLORENCE VESTA FOBES, also known as FLO V. FOBES, Deceased

Cause No. 3832
Special Proceedings No. 1011
NOTICE
Filed at Shanghai, China, March 22, 1935.
William T. Collins, Clerk.
L. T. Kenake, Asst. clerk.

Pursuant to an Order of said Court notice is hereby given to all persons having claims against the estate of FLORENCE VESTA FOBES, also known as FLO V. FOBES, deceased, to present the same with vouchers to the undersigned on or before September 30, 1935, and all persons owing debts to said deceased are hereby notified to make payments of the same in due course to the undersigned.

VESTA SAUNDERS,
c/o Dr. George Sellett,
354 Hamilton House,
Shanghai, China.

Shanghai, China.
March 22, 1935.

In the United States Court for China

In re. Estate of JOHN ROBERT KORFF, Deceased

Cause No. 3834
Special Proceedings No. 1013
NOTICE
Filed at Shanghai, China, March 28th, 1935.
William T. Collins, Clerk.

Pursuant to an Order of said Court notice is hereby given to all persons having claims against the estate of JOHN ROBERT KORFF, deceased, to present the same with vouchers to the undersigned on or before October 5, 1935, and all persons owing debts to said deceased are hereby notified to make payments of the same in due course to the undersigned.

RAVEN TRUST COMPANY,
FEDERAL INC., U.S.A.
Nanking Road,
Shanghai, China.

Shanghai, China.
March 28, 1935.

Men and Events

Dee C. Chuan and Albino Sycip were reelected president and vice-president respectively of the China Banking Corporation at Manila April 1.

The death occurred in Shanghai April 5 at the age of 39, of Alfred James Perry, general commercial manager of the Shanghai Telephone Company.

Shih Ying, who recently resigned as Mayor of Nanking on account of ill health, has gone to Kunshan (Quinsan), southern Kiangsu, to recuperate.

Josefsen Bernier will address the North China Branch of the Royal Asiatic Society in Shanghai on Wednesday. April 17, on "Butterflies and Moths."

Captain Felix Xerxes Gygax, new commander of the U. S. Asiatic Fleet's flagship, the U.S.S. *Augusta*, arrived in Shanghai aboard the *President Adams* this week.

The Nanking Office of the Headquarters of the Special Cultural Commissioner for the Western Border was formally inaugurated April 1 with Lo-Sang-Chien-Tsan as director.

Dr. Chang Peh-lin, president of the Nankai University in Tientsin, celebrated his 60th birthday anniversary April 5. The students staged a huge amusement program to celebrate the occasion.

Prof. Arthur Holcombe, visiting professor to the National Central University at Nanking, began a series of lectures at the Wuhan University in Hankow April 8. They will continue for three weeks.

Miss Virginia Belle Aaron of San Francisco and Birney Henry Nathan were married at the American Consulate-General in Shanghai April 9. The groom is the leader of the orchestra in the Cathay Hotel ballroom.

Funeral services for the late Mrs. Zinaida Gregoria Robertson, wife of Charles A. Robertson of the American Consulate-General in Shanghai, were conducted by Rev. Mr. C. L. Boynton of Community Church, April 7.

Acting on an order from the Hopei Provincial Government, the Public Safety Bureau is planning to form a special branch of women police. The new officers will be recruited from families of the male officers of the bureau.

Three persons including the chauffeur were killed in a highway robbery incident on April 2 when a long-distance bus running between Changchow and Amoy was held up by a gang of armed robbers at a point about 9 miles from Changchow.

The American Returned Students' Association and the British Returned Students' Union of Shanghai were scheduled to hold an informal dinner Friday evening, April 12, at the New Asia Hotel. Dr. C. T. Wang, former Minister of Foreign Affairs, was scheduled to deliver an address.

Mr. and Mrs. H. J. Squire of the China Inland Mission departed from Ichang end of last month on their way to England to retire, after 41 years spent in China. The early days of their sojourn in China were spent in Szechuen; but since 1899 their home has been Ichang.

A medal is to be presented to O. J. Todd, chief engineer of the China International Famine Relief Commission, at a farewell reception to be given him in Peiping by the association on April 17, the day before he starts for Shanghai with his family to board a steamship for America.

Miss Barbara Harrison and Lloyd Wescott were married in New York April 8. The bride's fathere is Francis B. Harrison, former Governor-General of the Philippine Islands, at present in Shanghai. Mr. Wescott is the manager of the circulation department of Harper Brothers, New York publishers.

Miss Leonore Barry will be married to Lieut.-Commander E. P. Forrestel of the U. S. Navy, Saturday, April 20. The ceremony will be performed at the chapel of Gonzaga College. Lieut. Forrestel will arrive here from Manila April 17. Miss Barry is secretary to U. S. Consul-General E. S. Cunningham.

Miss Betty Turner of Berkeley, Cal., winner of the Pulitzer prize in journalism at Columbia University, who has been visiting in Shanghai, departed this week for Nanking and after a few days there will proceed to Peiping, following which she will return to the United States, traveling by way of the Soviet Union.

Mr. and Mrs. Walter Campbell Kent who returned recently from a honeymoon trip to Manila will be in Shanghai for the next several days before going to Hangchow where they will make their home. Before her marriage to the flying instructor from the Central Aviation School in Hangchow, Mrs. Kent was Miss Marie Brown.

A cocktail party was given at the home of Mr. and Mrs. Leo J. Miller, 643 Route Frelupt, in Shanghai, April 8 to say farewell to Mr. and Mrs. David C. Buick and welcome home Miss Ruth Benedict. Mr. and Mrs. Buick are sailing on a trip around the world. Miss Benedict returned from a four months' visit with her family in Tuscon, Arizona.

Major-General Rensuke Isogai, newly-appointed military attache to the Japanese Legation, in China is due in Shanghai on April 14.

David C. Buick, business manager of the Shanghai *Evening Post*, accompanied by Mrs. Buick departed this week for the United States, travelling via Europe.

Edwin Perry, 27 years of age, an American oiler of the *s.s. President Coolidge* was stabbed on the afternoon of April 5 just as the ship was leaving Honolulu, by Salvadore Garevaldi, a 24-year old Sicilian engine room wiper. The wound proved fatal. American officials made an investigation of the incident when the ship arrived in Shanghai.

G. H. C. Hart, Director of the Economic Affairs of the Netherlands East Indies Government, and Madame Hart are making a tour of China. While at Nanking Mr. Hart called on Chen Kung-po, Minister of Industry, President Wang Ching-wei, T. V. Soong, and Dr. H. H. Kung, Minister of Finance. At Peiping Mr. Hart also called on various Chinese officials.

E. A. Silagi, a naturalized American citizen 68 years of age, sales manager for the China United Enginering Co., committed suicide in a bathroom of the American Club in Shanghai April 5 by cutting his wrists with a razor. He was a native of Czecho-Slovakia. Mr. Silagi for many years had been the representative in the Far East of the Truscon Steel Corporation of Cleveland, Ohio.

The counting of the ballots in the election of 28 members of the commercial, and another 27 of the guild, organizations of the Shanghai Settlement Chinese Ratepayers' Association was scheduled to take place on the morning of April 12, at the Chinese Bankers' Association, under the supervision of representatives of the Shanghai branch of the Foreign Ministry and the City Government of Greater Shanghai.

Islam Temple at San Francisco, California, of the Masonic Shrine, will visit Oriental ports including Shanghai during October of this year. According to a letter received by Barnes Moss, W. M. Coffman of the San Francisco Temple advised him that Islam's Far East Ceremonial Pilgrimage will reach Shanghai by rail from Tientsin on Friday, October 18, and after several days' visit will depart on the Dollar Liner *President Hoover* for Hongkong and Manila, on October 22.

J. Harold Dollar, vice-president of the Dollar Steamship Lines, passed through Shanghai this week *en route* to Manila in the *s.s. President Coolidge*, accompanied by Mrs. Dollar and their daughter, Miss Virginia. Mr. Dollar is making his first visit to the Far East since he was here about five years ago. The Dollar party will return to Shanghai by the same ship. On their return they will disembark here for a visit of several weeks. O. G. Steen, Oriental manager of the Dollar Steamship Lines, with offices in Shanghai, accompanied by Mrs. Steen, also arrived with the liner, having gone to Japan to meet Mr. and Mrs. Dollar. Mr. and Mrs. Steen are also making the round-trip to Manila.

Kemmerer Says United States Is Forcing China Off Silver Standard

Edwin W. Kemmerer, internationally known economist and monetary expert, and who, after investigating China's currency system, advocated the eventual adoption of the gold standard, in an interview in Princeton, N. J. April 9, expressed the opinion that the United States, by its silver purchase policy, is forcing China to give up the silver standard. Prof Kemmerer added that a managed currency standard is not at all well adapted to the needs of China and to the characteristics of the Chinese people; if adopted, it will probably prove to be but a stepping stone to the permanent adoption by China of some form of the gold standard.

Dr. Sze to Seek Revision of U.S. Silver Policy

The Ministry of Foreign Affairs has instructed Dr. Alfred Sze, Chinese Minister at Washington, to take the first opportunity to negotiate with the United States Government for a revision of its silver policy in order to improve the trade relations between China and America.

Willys R. Peck and Family Depart for U. S. on Four Months Holiday

Willys R. Peck, counsellor of the American Legation and consul general at Nanking, who is the Nanking representative of the American Minister, departed from Nanking on April 9 with Mrs. Peck for a four months' holiday travelling to the United States *via* Siberia. During his absence the Nanking Office of the Legation and the Consulate General will be in charge of George Atcheson, jr., Second Secretary of Legation and American Consul. The Pecks are travelling in company with their son-in-law and daughter, Vice Consul and Mrs. L. C. Reynolds of Tientsin.

Shanghai Municipal Council Turns Down Small Hire-Car Idea

The Municipal Council has had under consideration a proposition from the Shanghai Hire Car Operators Association enquiring whether it was prepared to issue licences for the operation of public motor cars smaller in size than the hire cars in general use. The latter stated it was intended that the minimum hire charge for these proposed smaller cars should be 60 cents per trip or for a period of twenty minutes. Reports received from Singapore, Penang and Manila in the operation of such cars were read at a recent meeting. The Commissioner of Police opposed their introduction on the following grounds:—(1) The small cars it was proposed to use were not designed for hard service and might become actually dangerous in a year or so; (2) they would need frequent inspection say once a month, which would entail additional expenditure by the Council; (3) the prospects of success were doubtful as the overhead expenses would be the same as for the larger cars; (4) the small cars might be expected to kill the present business of the larger cars and then fail in operation themselves. A majority of Council members adopted the view of the Commissioner of Police, and it was decided not to issue licenses for the operation of small-size hire cars inasmuch as it was considered that to do so would not be in the general traffic interest.

Britisher Killed by Stray Bullet as Shanghai Police Chase Robber

Nathaniel G. MacDonald, a Scotchman employed at the New Engineering Works, was shot dead by a stray bullet early in the morning of April 9 near the Hongkew Police Station, when a posse of Settlement police, consisting of British, Chinese and Sikh policemen, were in hot pursuit of an armed robber who with two others had broken into a shop in the vicinity. The robber commandeered a motor car and the Police chased him in another. The Police discharged a total of 45 bullets. The robber was shot dead, when the motor car in which he was travelling came to grief. The Webley revolver which he used had failed to fire. A Public Works coolie was also seriously wounded during the fusillade. A Chinese constable received a shot in his leg.

Three Japanese Naval Officers Decorated for Part in Shanghai Onslaught

Three high naval officers, who were in command of Japanese forces during the onslaught Shanghai in 1932, were decorated April 6 in "recognition of their meritorious services". Admiral Kichisaburo Nomura, naval member of the Supreme Military Council, who commanded the Third Fleet during the Incident, and who lost an eye in the Hongkew Park bombing of April 29, 1932, was decorated with the Second Order of the Golden Kite. Vice-Admiral Shozaburo Kobayashi and Rear-Admiral Shigetaro Shimada were each decorated with the Third Order of the Golden Kite.

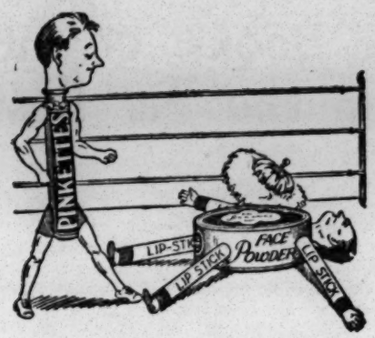
Madame Sun Yat-sen Makes Plea on Behalf of Convicted Communist

Madame Sun Yat-sen in a letter to the daily press in Shanghai last week announced that she had sent a strong telegram to the Minister of Justice that Paul Ruegg Noulens be allowed the care of a physician and that he be removed to the Central Hospital in Nanking. If the prison authorities should deny him the care of a physician, Mrs. Sun demanded that the Shanghai branch of the International Defence Committee be given the right to send a physician from Shanghai. Paul Ruegg's family in Switzerland has been informed by cable that he is seriously ill.

Noulens, who is serving a life term at the penitentiary of the Nanking District Court, having been taken ill with typhoid, was on April 6 removed to the Central Hospital for treatment.

British Supreme Court Upholds Decision on Lotteries Act

Judge A. G. Mossop and Judge P. Grant Jones, in the British Supreme Court in Shanghai, April 9, upheld the decision of Magistrate C. H. Haines in the Police Court on February 21 and ruled that the betting and lotteries acts apply to British subjects in China. The decision was made in an appeal which had been lodged by Fred Ellis against the judgment in the lower court, when he was found guilty of operating an unauthorized lottery known as the International Country Club Sweepstakes and of employing Kiho Sasaki, a Japanese, to sell tickets. Mr. Ellis was discharged on condition that he enter into a recognizance of £25 with one surety of £25, to appear for conviction and sentence when called for, and to be of good behavior for three years.



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CUSTOMS NOTIFICATION No. 1441

In continuation of Notification No. 1407 the public is now notified that the Government have authorized the following ruling in connexion with coastwise movements of wireless materials and apparatus:

"When broadcasting receiving sets, which have already been registered with the Chiao-t'ung Pu, are carried by persons while travelling or are sent for repair, they may be passed after examination on production of the Registration Certificate (登記證) issued by the Chiao-t'ung Pu, and need not in addition be covered by an Interport Certificate."

H. O. TONG,
Superintendent of Customs.

L. H. LAWFORD,
Commissioner of Customs.

CUSTOM HOUSE,
Shanghai, 10th April, 1935.

New Books of Interest in the Far East

China's Greatest Thinker on China's Renaissance

The Chinese Renaissance. The Haskell Lectures for 1933. *By Hu Shih. pp.* 110. *U.S.*$1.50. *University of Chicago Press, Chicago, U.S.A.* 1934.

This series of keen and brilliant lectures by China's greatest thinker of the present generation is one of the most important books of the year, though some parts of the work have appeared elsewhere from time to time. Dr. Hu's attitude is historical and evolutionary, seeing things in clear perspective and applying the sound judgment of a keen mind which appraises truth and cant at their true worth. He notes that "cultural changes of tremendous significance have taken place and are taking place in China, in spite of the absence of effective leadership and centralized control by a ruling class, and in spite of the deplorable necessity of much undermining and erosion before anything could be changed . . . . The Chinese Renaissance is becoming a reality . . . . Scratch its surface and you will find that the stuff of which it is made is essentially the Chinese bedrock which much weathering and corrosion have only made stand out more clearly—the humanistic and rationalistic China resurrected by the touch of the scientific and democratic civilization of the new world."

The first chapter, "Types of Cultural Response," deals mainly with the difference between the Chinese and the Japanese response to the aggressive present-day civilization of the West, and clearly notes the main reason for this difference: the existence in Japan of a powerful ruling class, consisting of a "specially privileged and highly trained military caste," and the "peculiar political development of Japan" which has left her a "stable basis for a new political framework which has served as a solid center of gravity for all movements of change." These elements were lacking in China, with its loose imperial structure and its bureaucracy of civil servants. Dr. Hu draws the contrast very clearly, though rather exaggerating the democratic social structure (Dr. Hu is a native of northern Anhwei, where there is more economic and social equality, and less landlordism and slavery, than in some other areas) of China. Also, Dr. Hu discounts the factor of size, which however made centralized rule much easier in Japan, and also made the country much less interesting prey for the Western Powers, which concentrated mainly on the plunder of China. A minor error is Dr. Hu's statement about "strongly anti-foreign resentment among the ignorant populace" of Japan (the anti-foreignism having been in fact among the military caste, while the "ignorant populace" were generally very friendly—at least so long as they were ignorant), and another one is his statement that the Japanese accepted the conscription law of 1873 "without a murmur" (there were in fact both murmurs and resistance). In general, however, this section is profound and clear. Dr. Hu gives examples showing that "whereas cultural control in Japan has been in the hands of the ruling class, the cultural changes in China have always begun from the people."

This latter point is one of the most interesting in Dr. Hu's third lecture, "the Chinese Renaissance," in which he points out that the true history of Chinese literature consists of "a series of revolutions, the initiative always coming from the untutored but unfettered people, the influence and inspiration often being felt by the great masters in the upper classes, and the result always bringing about new epochs of literary development." Side by side with the classical literature of the uncreative scholars, "there was in every age an undercurrent of literary development among the common people which produced the folk songs of love and heroism, the songs of the dancer, the epic stories of the street reciter, the drama of the village theater, and, most important of all, the novels. . . . . Every new form, every innovation in literature, had come never from the imitative classical writers of the upper classes, but always from the unlettered class of the countryside, the village inn, and the market-place . . . . It was always these new forms and patterns of the common people that, from time to time, furnished the new blood and fresh vigor to the literature of the literati, and rescued it from the perpetual danger of fossilization." (Page Dr. Kiang Kang-hu and other Confucianists!)

The second of Dr. Hu's lectures is extremely interesting in connection with Sino-Western contacts. It deals with "Resistance, Enthusiastic Appreciation, and the New Doubt: Changes in Chinese Conceptions of Western Civilization," from the warm welcome and deep appreciation extended the Jesuit scholars who came to Peking in the latter days of the Ming Dynasty, down through resistance to Western pirates, slavers, and opium sellers to appreciation of the real values of the civilization concealed behind these evident barbarians (Dr. Sun Yat-sen having been one of the most enthusastic idealizers of the "scientific, technological, and democratic culture of the West"), and down to the "New Doubt," aroused by the World War, the shortcomings of the capitalist economic system, and the attempt to replace democracy by a new form of dictatorship. The blunders of Western civilization are today being loudly exposed by a grotesque "unison of the voices of the Marxian Communists, sentimental social workers, pious religious leaders, anti-religionists, imperialistic junkers, and anti-imperialist reformers . . . . The young men of the country, who have never seen what a capitalistic civilization is like, are coming out with hundreds of pamphlets" condemning it. Dr. Hu wisely suggests that "this new attitude of doubt and criticism is on the whole a healthy improvement over the older attitude of uncritical appreciation . . . . And . . . these socialistic and communistic movements" may be viewed "not as tendencies alien and extraneous to the Western civilization, but as an integral part of it, as the logical consequence in the fulfilment of its democratic ideal, and as merely supplementary to the earlier and more individualistic ideas of democracy."

The fourth lecture, "Intellectual Life, Past and Present," is likewise extremely valuable, Dr. Hu pointing out various efforts at scientific thought in China, throgh "the institution of the literary examinations which furnished the only channel to social honor and political office was effectively molding Chinese intellectual life into purely literary gymnastics." Chu Hsi anticipated Leonardo da Vinci by 300 years in noting the true nature of fossils, but the new scientific attitude confined itself mainly to study of the classical and historical literature of China, and it is only recently that it has been extended to physical and other sciences, and has introduced genetic and evolutionary methods into the older fields of study.

Lecture V deals with "Religion in Chinese Life," and outlines brilliantly the old Sinitic religion, the Buddhist invasion and its decline, Confucianism, and present-day attitudes. Dr. Hu notes the attempt of Yuan Shih-kai, the would-be emperor, to establish Confucianism as the basic system of moral education in China twenty years ago, and points out that the Confucianist movement was leagued with the reactionary and monarchist movements in China. He quotes approvingly Ch'en Tu-hsiu, who pointed out that "Confucianism was the very system of thought which had justified and rationalized the political institution of despotic rule through all these centuries, and which must go with the final disappearance of the unlimited monarchy," and that "the morals taught by Confucius and his school belonged to the age of feudalism, and are mostly unsuited to an age of democracy."

The sixth lecture, "Social Disintegration and Readjustment," deals with social changes in China, and points out particularly the importance of the new education in the country, though the political revolutions in China, particularly the downfall of the imperial regime and its parasitic nobility and corrupt office-holders, have been of even greater importance in bringing about tremendous social changes everywhere. "The most conspicuous change in Chinese society has been the rearrangement in the social classes."

Dr. Hu's work is a most interesting and profound one. Those persons who through laziness or other motives prefer to reduce all China's problems to "Western Imperialism" may not like the book. Enemies of democracy and civil liberty also may not like it. It is written for intelligent and inquiring minds.

H. H.

"Foreign Policy Reports" Discusses International Administration of Narcotic Drugs

The Feb. 27 issue of *Foreign Policy Reports* is devoted to a discussion of the international administration of narcotic drugs. The author (Helen Howell Moorhead) says:—"The problem of narcotics clearly shows the necessity for cooperation between nations in solving problems essentially international in scope. The administrative record of the Permanent Central Board (Geneva) and that of the newly created Suprrvisory Body prove that international experts can function effectively without injuring either the legitimate interests of busineses or the susceptibilities of sovereing powers. Only out of experience can confidence arise."

British Books Prejudiced by Piratical Printers in Shanghai

The unauthorized sale of British educational books in Shanghai at low prices was mentioned in the House of Commons April 8. It was alleged that firms importing books from England were prejudiced through the fact that Shanghai printers and lithographers reproduced the books by photography and sold them at something about one-third of the regular price. A Conservative member of the House suggested that representations should be made to China suggesting the desirability of signing the Berne Convention.

In reply, the Foreign Secretary, Sir John Simon, admitted the situation. He said that in 1931 the British Government had drawn the attention of the Chinese authorities to the desirability of improving the copyright law and acceding to the International Copyright Convention. The Foreign Secretary promised to consider the position with a view to further representations, if they seemed useful.

Dollar Round-the-World Boats Are Equipped With "Talkies"

Talking movies have been installed on all the Dollar Steamship Line's Round-the-World vessels. A system of interchanging films between ships at various ports will keep each ship supplied with a variety of late releases. The round-the-world liner *President Adams* which sailed from Shanghai April 9 was thus equipped.

Britain Not to Mediate in the Far East

A suggestion that Great Britain should act as a mediator between China and Japan in view of her wide interests in the Far East and her cordial relations with the two countries was turned down by Lord Stanhope, Under-Secretary of State for Foreign Affairs, during a long debate on Far Eastern Affairs in the House of Lords April 3. The debate was initiated by Lord Peel, who emphasized that he wished to deprecate any idea of hostility towards Japan. Enough harm had already been done by ill-considered denunciation of Japan. Britain had a long and intimate association with the Far East and had a right, even a duty, to examine the situation closely and to offer advice to both parties as a friend with full knowledge of the situation.

Lord Peel quoted statements made by Mr. Hirota, Japanese Foreign Minister, as lending color to the fear entertained in China and elsewhere that Japan wanted to obtain control of China. The situation was full of suspicion, which was being increased rather than lulled, Lord Peel stated.

Lord Marley, former Under-Secretary of State for War, who visited Shanghai in 1932 as sponsor of a so-called Anti-War congress, contended that it was shirking realities to adopt a purely anti-Japanese attitude. He said that until Japan began her continental policy, no nation had shown preparedness to face the question of handing over to her some of its own privileges. Sacrifices on the part of other countries were necessary.

Lord Addington, who was at one time Custodian of Enemy Property in China, emphasized that the interests of China and Japan were not necessarily conflicting but the fact that they had clashed had caused a dangerous situation. Some other nation ought to mediate. Britain was uniquely fitted for this job, and she should make up her mind.

Lord Barnby, head of the Mission sent by the Federation of Britain Industries to Manchukuo and Japan last year, deplored the suggestions that Japan was extending her aggression and domination. He said that finance was the chief point to be considered, and, in view of Japan's many commitments, it was unreasonable to suggest that she aimed at absorbing a large part of China. Lord Barnby urged that China should realize the necessity of reliance upon Britain and co-operation with Japan, and said that if China and Japan collaborated, it was reasonable to expect Britain to do likewise, and logic would invite the United States to collaborate.

Lord Newton, who recently visited the Far East, pleaded for consideration of Japan's point of view. The fear of Japanese absorption of China, Lord Newton declared, was a hallucination. Japan was not in a position, financially or otherwise, to do anything of the kind. Britain should do everything possible to facilitate an agreement between China and Japan and to eliminate the League of Nations as far as possible. An alternative method, that of a crusade against Japan, he added would lead to a war by the white man against the two Asiatic Empires, with the loss of his Eastern possessions.

Japan Wants No Mediation by Britain or Any Other Nation

The discussions in the British House of Lords evoked nothing but derision in Japan. A spokesman for the Foreign Office in Tokyo said April 5 that the British activities indicate that "they still think Britannia rules the waves!" Again, commenting on the same subject, the Gaimusho tersely declared: "Apparently Great Britain is piping the tune and doing all the dancing!" The Tokyo Foreign Office is quite "perplexed" over the involved situation regarding the proposed international loan to China, the spokesman said. "On the basis of press reports we cannot understand the British attitude," the spokesman stated. "However, we understand that Great Britain opposes a British or any other form of loan to China." "Japanese and Chinese relations are improving under present arrangements," the spokesman said, "and Japan does not feel that mediation of another nation is necessary."

American Community Urges Construction of New Consular Building

The general committee of the American Community of Shanghai at its meeting of April 1 adopted the following resolution which was sent to Cordell Hull, U. S. Secretary of State:

"Resolved, that we on behalf of the American Community of Shanghai urge upon Congress the importance of the immediate appropriation of funds adequate to erect a new consular building in Shanghai.

"The government owns land for the purpose. Plans have already been drawn for the building and only an appropriation for the building is lacking.

"Such a building will properly and economically provide offices and living quarters for the consular, judicial and commercial officers of the government and enable them with dignity and efficiency to perform their duties in Shanghai."

JUST PUBLISHED

"China To-day" Series No. 4

THE PUPPET STATE OF "MANCHUKUO"

Edited by T'ang Leang-Li

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Wang Ching-wei Is Interviewed by the "United Press"—A Disclaimer

Wang Ching-wei, President of the Executive Yuan, was quoted by John R. Morris, *United Press* staff correspondent, April 2, as having said he believed that Japanese opposition had played no part in reducing the prospects of early international financial assistance; but if such a loan could have been arranged, President Wang said, it would have been used primarily for industrial reconstruction—of which China stands in serious need at present. A small loan would have been ineffective, he said.

Regarding Sino-Japanese relations, Mr. Wang was quoted as having said the Government has refrained from reiterating unnecessarily the position which has been maintained consistently in respect to Manchuria and Jehol, but it was a fact, however, that these provinces, integral parts of China, are under the military control of Japan. China never has and never will recognize the validity of the present military occupation. "We are waiting merely until circumstances enable us to enforce our rights," Mr. Wang was quoted as having said. President Wang, according to the interview reiterated the wish expressed in his address before the Central Political Council, that China and Japan might live together in peace and friendship, but he was most emphatic when he asserted that Sino-Japanese friendship must be a friendship between equals.

The *Central News* Service April 5 issued a statement to the effect that a spokesman of the Waichiaopu had declared that the contents of the report did not correspond to what Mr. Wang said in the course of the interview.

A spokesman of the Ministry of Foreign Agairs later issued a statement which gave the following as the main points touched upon in the course of the interview:

(1) The *U.P.* correspondent asked whether relations between China and Japan had turned for the better. Mr. Wang replied that this was the fact. The *U.P.* correspondent asked whether a settlement had already been reached in respect of the problem of the Four Northeastern Provinces. Mr. Wang replied that with regard to this question, both China and Japan are still holding to the views to which they each had hitherto maintained. The *U.P.* correspondent asked whether, in that case, the so-called turn for the better had not taken on any concrete form. Mr. Wang said that in order to secure a better turn in Sino-Japanese relations, steps must first be taken to adjust other questions.

(2) The *U.P.* correspondent asked whether Japan had objected to China's contracting for an international loan. Mr. Wang replied that the Japanese Govrnment had not given any expression of that nature. The *U.P.* correspondent said that the Japanese newspapers had already voiced their opposition, to which Mr. Wang replied that there might be such opinion among the Japanese people, but that it had nothing to do with their Government.

(3) The *U.P.* correspondent asked whether any progress has been made in regard to the matter of foreign loan. Mr. Wang answered that progress has been very slow. The *U.P.* correspondent asked for the reason for the slow progress. Mr. Wang said that a loan from a single source would involve economic complications while in the case of a collective loan the the views of the various interested countries were often found to be divergent, and therefore opinions are still being exchanged up to the present.

(4) The *U.P.*correspondent asked what was China's opinion as to the silver question. Mr. Wang replied that the United States silver policy had not only adversely affected China's finance but also caused great loss to Chinese agriculture, industry and commerce.

The above, according to the Waichiaopu spokesman, were the principal points mentioned during the interview, and the discrepancies which appeared in the *United Press* report must be regarded as the own personal interpretation of the *U.P.* correspondent.

Wang Ching-wei Entertains in Honor of Art Committee

Wang Ching-wei, president of the Executive Yuan and minister of foreign affairs gave a reception at the City Government building, Kiangwan Civic Center, April 7 in honor of foreign diplomatic and consular officials and British and Chinese members on the committee in charge of China's participation in the London Art Exhibition. No American consular or diplomatic officials were present. The Park Hotel orchestra furnished music.

Amoy Municipality Is Formally Established

The Amoy Municipal Government was formally established April 1. The new Municipal Government will have three Bureaus, for Finance, Public Works and Public Safety, and two sections in charge of social affairs and education. Wang Ku-pan, the Mayor, also holds the concurrent post of Commissioner of Public Safety. Shen Ching is Commissioner of Finance and Yang Ting-yu Commissioner of Public Works. Wang Cheng-min is Chief of the Social Affairs section and Cheng Yung-hsiang Chief of the Education section.

Shanghai's Voting List of "Qualified Ratepayers"

The Shanghai *Municipal Gazette* of April 3 contained the Voting List of persons qualified to vote at the annual meeting of Ratepayers to be held Wednesday April 17. The list contains the names of all persons or "interests" who own property of a value of seven hundred Chinese dollars, or householders paying rent of $700 or more—who are "qualified" Ratepayers. All others, foreign or Chinese, are disqualified. Proxy voting is allowed if the qualified Ratepayer is absent from Shanghai. The voting is somewhat similar to that of shareholders in a company, but not identical. There is plurality of voting, but not according to the value of the interests, but merely according to their number. A typical example of how this works is the case of G. H. Wright, who is a member of the legal firm of Hansons. He has one vote first of all for himself as an individual, then he has another vote for each of the following "interests": Hanson and McNeill; Hanson, McNeill and Jones; Hansons; D. M. Henderson; L.E.P. Jones (estate); D. McNeill; D. McNeill and L.E.P. Jones; D. McNeill, L.E.P. Jones and G. H. Wright; D. McNeill, G. H. Wright and A. C. Holborow; Ryder, Ryder, Druce and others; Senior Bowling Alley; Wright and Holborow. It may be mentioned in explanation that the names Hanson, McNeill, Jones, and Holborow appearing above are all lawyers who have at one time or another belonged to the firm. Each change in the name of the firm created a new "interest," particularly in cases where Chinese land was registered in the firm's name—hence the extra votes. However these extra votes never come into play except when a "poll" is called for. The calling of such a "poll" is rare indeed. Most of the decisions are come to by a show of hands. Shanghai Ratepayers both at elections and annual meetings show an unusual apathy—all except the Japanese, who, particularly whenever any important matter affecting their interests is involved, march into the assembly room in a body.

The Element Most Vital to Life—Haemoglobin

What is this haemoglobin that is so essential to our very existence? In simple words, haemoglobin is the substance which makes our blood red. It is the haemoglobin in your blood that carries life-giving oxygen from your lungs, and energy-producing nutriment from your digestive organs to the innermost cells of every organ and tissue of the body.

This all-important haemoglobin is carried along the blood stream by the red corpuscles, so that it is also important to maintain the normal number of these red corpuscles.

Every physician knows that there are large numbers of people whose blood, if tested, would show a low count of red corpuscles and haemoglobin below normal. It is this that causes you to feel "off-colour," to lose your vigour and strength, become nervous, breathless, and pale.

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		Blood Count Increased from
1.	Female	3,600,000 to 5,300,000
2.	„	4,100,000 „ 5,200,000
3.	„	4,500,000 „ 5,500,000
4.	Male	4,700,000 „ 6,200,000
5.	„	4,900,000 „ 5,200,000
6.	„	5,300,000 „ 6,300,000

Even more impressive were the results in building up the haemoglobin in the blood, some of the patients gaining as much as 15, 16, 17, 20 and 22 per cent.

All the patients reported a great improvement in their health, they had better appetite, felt stronger, and more vigorous.

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The National City Bank of New York, Rates of Exchange

Shanghai, April 10, 1935

Demand selling rate on America:	U.S.$1,00=Sh. $ 2.66
Demand buying rate on America:	U.S.$1,00=Sh. $ 2.62
Demand selling rate on London:	£1.0.0=Sh. $ 12.84
Demand buying rate on London:	£1.0.0=Sh. $ 12.67

Latest New York Stock Exchange Quotations

April 10, 1935
Business Done:-
Total Volume: 860,000 Shares

1934-35 High	1934-35 Low	Div. $ per sh.	STOCKS	Last Sale Apr. 8	Last Sale Apr. 9
121⅜	90¼	4.00	American Can		
22½	14⅝	0.40	Amer. Cyanamid "B"	117½	119
13⅜	2	—	American & For. Power	16½	16¾
38⅝	9¼	—	American Locomotive	3⅝	3⅞
17⅝	10	—	American Radiator	11½	11⅞
51¼	30¼	—	American Smelting	12⅞	13⅝
125¼	99¼	9.00	American Tel. & Tel.	33½	35
89	67	5.00	American Tobacco "B"	104⅞	107½
27⅝	7¼	1.00	American Waterworks	77	78½
17⅝	8	—	Anaconda Copper	11½	11⅝
73⅝	36⅜	2.00	Atchison, S. & S. Fe	10⅝	11
35¼	21⅝	1.00	Atlantic Refining	38½	40¼
57⅜	15	—	Auburn	24⅝	24½
34½	7⅜	—	Baltimore & Ohio	17⅜	18¾
23⅞	9⅜	—	Bendix Aviation	9⅜	10⅝
49½	22½	—	Bethlehem Steel	13⅝	14¼
11¼	6½	—	Boeing Airplane Co.,	25¼	26¼
28¼	19⅝	1.60	Borden Co.	7¼	7⅝
33½	16½	1.50	Borg Warner	22⅝	22⅝
18¼	9½	—	Canadian Pacific Railway	33⅛	33¼
86⅝	35	—	Case, J. I.	9⅞	10¼
43⅞	23	1.00	Caterpillar Tr.	49½	52
40⅜	15⅞	1.40	Chase National Bank	42¼	42⅞
48¾	37⅛	2.80	Chesapeake & Ohio	21⅝	21⅞
60⅜	29¼	1.00	Chrysler	40½	41⅝
19¼	8¾	—	Columbia Gas & Electric	34¾	35½
36⅝	15¾	0.60	Coml. Solvents	6½	6⅝
3¾	0¾	—	Commonwealth & Southern (ord.)	18⅞	19⅜
47⅞	16¼	1.00	Consolidated Gas of N. Y.	1¼	1⅜
22⅝	15⅛	0.50	Continental Oil	20⅝	20⅞
84¼	55½	3.00	Corn Products	18¼	18
9⅞	3⅜	—	Coty Inc.	65½	65¼
28¼	14½	—	Douglas Aircraft	4⅞	4⅞
103⅞	80	3.25	Du Pont de Nemours	20½	21¼
23¼	3⅝	—	Electric Bond & Share	91⅞	93
17½	8¼	—	Fox Film "A"	7	7⅜
25¼	16⅞	0.60	General Electric	9¼	9⅜
36⅞	28	1.80	General Foods	23	23⅞
42	24⅝	1.50	General Motors	33¾	34¼
23	15⅛	1.20	Gold Dust	28½	29⅝
41⅝	16	—	Goodyear Tire & Rubber	16½	16½
37¾	18⅜	0.25	International Cement	17⅛	18⅝
29¼	21	0.60	International Nickel	26	27
17⅝	5⅝	—	International Tel. & Tel.	25⅛	25⅝
66⅝	39	—	Johns Manville	7	7⅛
23⅛	14	0.60	Kennecott	43½	44⅝
37¼	20⅝	2.00	Loew's Inc.	16⅝	17¼
22½	15¾	1.20	Lorillard	36⅜	38
35⅝	20	—	Montgomery Ward	19¼	19⅞
49½	22¼	2.00	Nat. Biscuit	24¼	25¼
48	16⅜	1.00	National City Bank	24⅜	25⅜
18⅜	13	1.20	Nat- Dairy Prods.	20⅝	20⅞
31⅜	16	0.50f	National Distillers	14⅜	14⅝
15¼	5	0.80	Nat. Power & Lt.	27⅛	27⅞
45¼	12¼	—	New York Central	7⅝	7⅞
25¼	9¼	1.00	North American	14⅛	15⅝
23½	12⅜	1.50	Pacific Gas & Electric	13⅜	13¼
37	19	2.40	Pacific Lighting	18⅛	17⅝
6⅝	2¾	—	Packard Motors	25	24¼
39¼	17¼	1.00	Pennsylvania Railroad	3⅝	3⅝
20¾	13	1.00	Phillips Petroleum	19⅝	20
45	20⅜	2.80	Public Serv. of N.J.	18	17¾
9½	4	—	Radio Corporation	26¼	26⅝
62⅞	48¼	3.00	Reynolds Tobacco "B"	4⅝	4⅝
33⅝	17½	—	Schenley	44¾	45¼
51½	31	0.75	Sears Roebuck	24⅝	25⅛
19⅞	11	0.60	Socony-Vacuum	35¾	36
22½	10⅛	1.50	Southern California Edison	13	13¼
33¾	13	—	Sthrn. Pacific	15	15
36½	7⅝	—	Sthrn. Railway	14½	15
25¼	14½	1.00	Stand. Brands	9½	10⅝
17	1¾	—	Standard Gas & Electric	15⅝	16
42⅞	26½	1.00	Stand. Oil of Cal.	3½	3½
50½	35¾	1.25	Standard Oil Co. of N. J.	31	31
66½	47¼	3.80	Sterling Products	38⅞	39½
29⅝	16¾	1.00	Texas Corporation	63⅞	64
43¼	29	2.00	Texas Gulf Sulphur	19¼	19¾
8½	5	.12½	Transamerica	30	30½
50⅞	35⅞	1.40	Union Carbide & Carbon	5	5⅛
133⅞	83½	6.00	Union Pacific	47½	48⅝
15¼	8⅜	—	United Aircraft (New)	87	90½
6½	3¼	—	Un. Airline Trans.	11½	11⅝
8⅝	1½	—	United Corporation	5	4⅝
24	9¾	—	U. S. Rubber	2⅞	2⅞
59⅞	27⅞	—	U. S. Steel	11⅝	11⅞
21¾	13¾	—	Vanadium	29⅝	31¼
8¼	2⅛	—	Warner Bros. Pictures	15¼	15¾
47¼	27⅞	0.25	Westinghouse Elect.	3	3⅛
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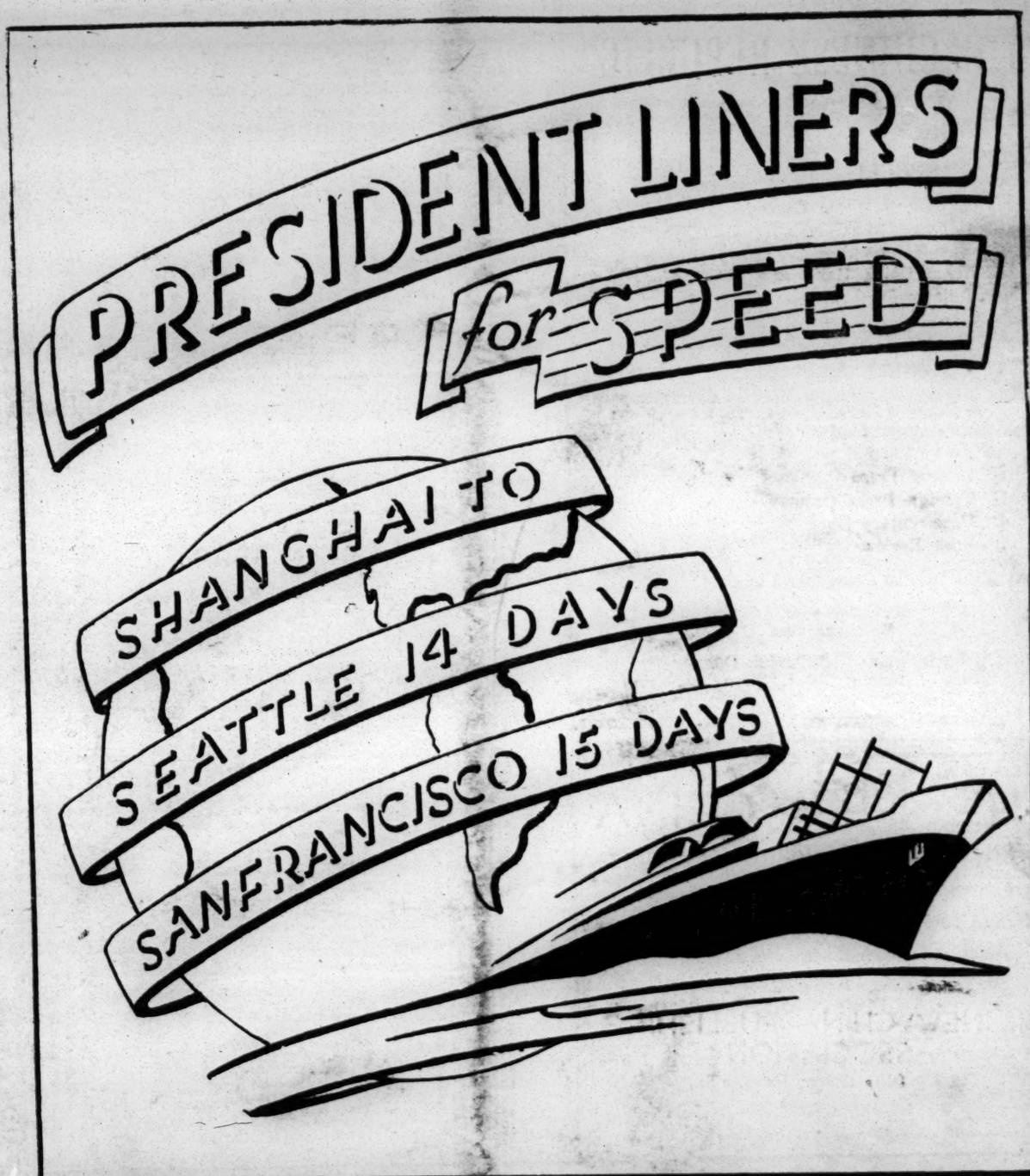

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